

109TH CONGRESS
1ST SESSION

S. 1614

To extend the authorization of programs under the Higher Education Act of 1965, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 6, 2005

Mr. ENZI (for himself and Mr. KENNEDY) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To extend the authorization of programs under the Higher Education Act of 1965, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Higher Education Amendments of 2005”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

- Sec. 1. Short title and table of contents.
- Sec. 2. References.
- Sec. 3. General effective date.

TITLE I—GENERAL PROVISIONS

- Sec. 101. Additional definitions.
- Sec. 102. General definition of institution of higher education.
- Sec. 103. Definition of institution of higher education for purposes of title IV programs.
- Sec. 104. Protection of student speech and association rights.
- Sec. 105. National Advisory Committee on Institutional Quality and Integrity.
- Sec. 106. Drug and alcohol abuse prevention.
- Sec. 107. Prior rights and obligations.
- Sec. 108. Cost of higher education.
- Sec. 109. Performance-based organization for the delivery of Federal student financial assistance.
- Sec. 110. Procurement flexibility.

TITLE II—TEACHER QUALITY ENHANCEMENT

- Sec. 201. Teacher quality enhancement grants for States and partnerships.

TITLE III—INSTITUTIONAL AID

- Sec. 301. Program purpose.
- Sec. 302. Definitions; eligibility.
- Sec. 303. American Indian tribally controlled colleges and universities.
- Sec. 304. Alaska native and native Hawaiian-serving institutions.
- Sec. 305. Native American-serving, nontribal institutions.
- Sec. 306. Part B definitions.
- Sec. 307. Grants to institutions.
- Sec. 308. Allotments to institutions.
- Sec. 309. Professional or graduate institutions.
- Sec. 310. Authorization of appropriations.
- Sec. 311. Technical corrections.

TITLE IV—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS IN ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION

- Sec. 401. Federal Pell Grants.
- Sec. 402. Federal trio programs.
- Sec. 403. Gaining early awareness and readiness for undergraduate programs.
- Sec. 404. Academic achievement incentive scholarships.
- Sec. 405. Federal supplemental educational opportunity grants.
- Sec. 406. Leveraging Educational Assistance Partnership Program.
- Sec. 407. Special programs for students whose families are engaged in migrant and seasonal farmwork.
- Sec. 408. Robert C. Byrd Honors Scholarship Program.
- Sec. 409. Child care access means parents in school.
- Sec. 410. Learning anytime anywhere partnerships.

PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM

- Sec. 421. Extension of authorities.
- Sec. 422. Federal payments to reduce student interest costs.
- Sec. 423. Federal consolidation loans.
- Sec. 424. Default Reduction Program.
- Sec. 425. Reports to credit bureaus and institutions of higher education.
- Sec. 426. Common forms and formats.
- Sec. 427. Student loan information by eligible borrowers.

- Sec. 428. Consumer education information.
- Sec. 429. Definition of eligible lender.
- Sec. 430. Repayment by the Secretary of loans of bankrupt, deceased, or disabled borrowers; treatment of borrowers attending schools that fail to provide a refund, attending closed schools, or falsely certified as eligible to borrow.

PART C—FEDERAL WORK-STUDY PROGRAMS

- Sec. 441. Authorization of appropriations.
- Sec. 442. Allowance for books and supplies.
- Sec. 443. Grants for Federal work-study programs.
- Sec. 444. Job location and development programs.
- Sec. 445. Work colleges.

PART D—WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM

- Sec. 451. Funds for administrative expenses.

PART E—FEDERAL PERKINS LOANS

- Sec. 461. Program authority.
- Sec. 462. Terms of loans.
- Sec. 463. Cancellation of loans for certain public service.

PART F—NEED ANALYSIS

- Sec. 471. Cost of attendance.
- Sec. 472. Definitions.

PART G—GENERAL PROVISIONS RELATING TO STUDENT ASSISTANCE

- Sec. 481. Definition of academic and award year.
- Sec. 482. Compliance calendar.
- Sec. 483. Forms and regulations.
- Sec. 484. Student eligibility.
- Sec. 485. Statute of limitations and state court judgments.
- Sec. 486. Institutional refunds.
- Sec. 487. Institutional and financial assistance for students.
- Sec. 488. National student loan data system.
- Sec. 489. Early awareness of financial aid eligibility and demonstration program to provide early estimates and early awards of financial aid.
- Sec. 490. College Access Initiative.
- Sec. 491. Program participation agreements.
- Sec. 492. Regulatory relief and improvement.
- Sec. 493. Transfer of allotments.
- Sec. 494. Wage garnishment requirement.
- Sec. 495. Purpose of administrative payments.
- Sec. 496. Advisory Committee on Student Financial Assistance.
- Sec. 497. Regional meetings.
- Sec. 498. Year 2000 requirements at the Department.

PART H—PROGRAM INTEGRITY

- Sec. 499. Recognition of accrediting agency or association.
- Sec. 499A. Administrative capacity standard.
- Sec. 499B. Program review and data.

TITLE V—DEVELOPING INSTITUTIONS

- Sec. 501. Definitions.
- Sec. 502. Authorized activities.
- Sec. 503. Duration of grant.
- Sec. 504. Postbaccalaureate opportunities for Hispanic Americans.
- Sec. 505. Applications.
- Sec. 506. Cooperative arrangements.
- Sec. 507. Authorization of appropriations.

TITLE VI—INTERNATIONAL EDUCATION PROGRAMS

- Sec. 601. Findings.
- Sec. 602. Graduate and undergraduate language and area centers and programs.
- Sec. 603. Undergraduate international studies and foreign language programs.
- Sec. 604. Research; studies.
- Sec. 605. Technological innovation and cooperation for foreign information access.
- Sec. 606. Selection of certain grant recipients.
- Sec. 607. American overseas research centers.
- Sec. 608. Authorization of appropriations for international and foreign language studies.
- Sec. 609. Centers for international business education.
- Sec. 610. Education and training programs.
- Sec. 611. Authorization of appropriations for business and international education programs.
- Sec. 612. Minority foreign service professional development program.
- Sec. 613. Institutional development.
- Sec. 614. Study abroad program.
- Sec. 615. Advanced degree in international relations.
- Sec. 616. Internships.
- Sec. 617. Financial assistance.
- Sec. 618. Report.
- Sec. 619. Gifts and donations.
- Sec. 620. Authorization of appropriations for the Institute for International Public Policy.
- Sec. 621. Definitions.
- Sec. 622. Assessment and enforcement.

TITLE VII—GRADUATE AND POSTSECONDARY IMPROVEMENT PROGRAMS

- Sec. 701. Purpose.
- Sec. 702. Allocation of Jacob K. Javits Fellowships.
- Sec. 703. Stipends.
- Sec. 704. Authorization of appropriations for the Jacob K. Javits Fellowship Program.
- Sec. 705. Institutional eligibility under the Graduate Assistance in Areas of National Need Program.
- Sec. 706. Awards to graduate students.
- Sec. 707. Additional assistance for cost of education.
- Sec. 708. Authorization of appropriations for the Graduate Assistance in Areas of National Need Program.
- Sec. 709. Authorization of appropriations for the Thurgood Marshall Legal Educational Opportunity Program.

- Sec. 710. Fund for the improvement of postsecondary education.
- Sec. 711. Special projects.
- Sec. 712. Authorization of appropriations for the fund for the improvement of postsecondary education.
- Sec. 713. Authorization of appropriations for the urban community service program.
- Sec. 714. Grants authorized for demonstration projects to ensure students with disabilities receive a quality higher education.
- Sec. 715. Applications for demonstration projects to ensure students with disabilities receive a quality higher education.
- Sec. 716. Authorization of appropriations for the demonstration projects to ensure students with disabilities receive a quality higher education.

TITLE VIII—MISCELLANEOUS

- Sec. 801. Mathematics and Science Scholars Program.

TITLE IX—AMENDMENTS TO OTHER LAWS

PART A—EDUCATION OF THE DEAF ACT OF 1986

- Sec. 901. Laurent Clerc National Deaf Education Center.
- Sec. 902. Agreement with Gallaudet University.
- Sec. 903. Agreement for the National Technical Institute for the Deaf.
- Sec. 904. Cultural experiences grants.
- Sec. 905. Audit.
- Sec. 906. Reports.
- Sec. 907. Monitoring, evaluation, and reporting.
- Sec. 908. Liaison for educational programs.
- Sec. 909. Federal endowment programs for Gallaudet University and the National Technical Institute for the Deaf.
- Sec. 910. Oversight and effect of agreements.
- Sec. 911. International students.
- Sec. 912. Research priorities.
- Sec. 913. Authorization of appropriations.

PART B—UNITED STATES INSTITUTE OF PEACE ACT

- Sec. 921. United States Institute of Peace Act.

PART C—THE HIGHER EDUCATION AMENDMENTS OF 1998

- Sec. 931. Repeals.
- Sec. 932. Grants to States for workplace and community transition training for incarcerated youth offenders.

PART D—INDIAN EDUCATION

SUBPART 1—TRIBAL COLLEGES AND UNIVERSITIES

- Sec. 941. Tribally Controlled College and University Assistance.

SUBPART 2—NAVAJO HIGHER EDUCATION

- Sec. 945. Short title.
- Sec. 946. Reauthorization of the Navajo Community College Act.

TITLE X—RECONCILIATION

- Sec. 1001. Provisional grant assistance program.
- Sec. 1002. National SMART grants.
- Sec. 1003. Loan limits.
- Sec. 1004. PLUS loan interest rates and zero special allowance payment.
- Sec. 1005. Reduction of lender insurance reimbursement rates.
- Sec. 1006. Guaranty agency origination fee.
- Sec. 1007. Deferment of student loans for military service.
- Sec. 1008. Rehabilitation through consolidation.
- Sec. 1009. Single holder rule.
- Sec. 1010. Default reduction program.
- Sec. 1011. Requirements for disbursements of student loans.
- Sec. 1012. Special insurance and reinsurance rules.
- Sec. 1013. School as lender moratorium.
- Sec. 1014. Permanent reduction of special allowance payments for loans from
the proceeds of tax exempt issues.
- Sec. 1015. Loan fees from lenders.
- Sec. 1016. Origination fee.
- Sec. 1017. Income contingent repayment for public sector employees.
- Sec. 1018. Income protection allowance for dependent students.
- Sec. 1019. Simplified need test and automatic zero improvements.
- Sec. 1020. Loan forgiveness for teachers.

1 **SEC. 2. REFERENCES.**

2 Except as otherwise expressly provided, whenever in
3 this Act an amendment or repeal is expressed in terms
4 of an amendment to, or repeal of, a section or other provi-
5 sion, the reference shall be considered to be made to a
6 section or other provision of the Higher Education Act of
7 1965 (20 U.S.C. 1001 et seq.).

8 **SEC. 3. GENERAL EFFECTIVE DATE.**

9 Except as otherwise provided in this Act or the
10 amendments made by this Act, the amendments made by
11 this Act shall take effect on July 1, 2006.

12 **TITLE I—GENERAL PROVISIONS**

13 **SEC. 101. ADDITIONAL DEFINITIONS.**

14 (a) AMENDMENT.—Section 103 (20 U.S.C. 1003) is
15 amended—

1 (1) by redesignating paragraphs (1) through
2 (16) as paragraphs (2) through (17), respectively;
3 and

4 (2) by inserting before paragraph (2) (as rededesignated by paragraph (1)) the following:

6 “(1) AUTHORIZING COMMITTEES.—The term
7 ‘authorizing committees’ means the Committee on
8 Health, Education, Labor, and Pensions of the Sen-
9 ate and the Committee on Education and the Work-
10 force of the House of Representatives.”.

11 (b) CONFORMING AMENDMENTS.—The Act (20
12 U.S.C. 1001 et seq.) is amended—

13 (1) in section 131(a)(3)(B) (20 U.S.C.
14 1015(a)(3)(B)), by striking “Committee on Labor
15 and Human Resources of the Senate and the Com-
16 mittee on Education and the Workforce of the
17 House of Representatives” and inserting “author-
18 izing committees”;

19 (2) in section 141(d)(4)(B) (20 U.S.C.
20 1018(d)(4)(B)), by striking “Committee on Edu-
21 cation and the Workforce of the House of Rep-
22 resentatives and the Committee on Labor and
23 Human Resources of the Senate” and inserting “au-
24 thorizing committees”;

25 (3) in section 206 (20 U.S.C. 1026)—

1 (A) in the matter preceding paragraph (1)
2 of subsection (a), by striking “, the Committee
3 on Labor and Human Resources of the Senate,
4 and the Committee on Education and the
5 Workforce of the House of Representatives”
6 and inserting “and the authorizing commit-
7 tees”; and

8 (B) in subsection (d), by striking “Com-
9 mittee on Labor and Human Resources of the
10 Senate and the Committee on Education and
11 the Workforce of the House of Representatives”
12 and inserting “authorizing committees”;

13 (4) in section 207(c)(1) (20 U.S.C. 1027(c)(1)),
14 by striking “Committee on Labor and Human Re-
15 sources of the Senate and the Committee on Edu-
16 cation and the Workforce of the House of Rep-
17 resentatives” and inserting “authorizing commit-
18 tees”;

19 (5) in section 401(f)(3) (20 U.S.C.
20 1070a(f)(3)), by striking “to the Committee on Ap-
21 propriations” and all that follows through “House of
22 Representatives” and inserting “to the Committee
23 on Appropriations of the Senate, the Committee on
24 Appropriations of the House of Representatives, and
25 the authorizing committees”;

1 (6) in section 428 (20 U.S.C. 1078)—

2 (A) in subsection (c)(9)(K), by striking
3 “House Committee on Education and the
4 Workforce and the Senate Committee on Labor
5 and Human Resources” and inserting “author-
6 izing committees”;

7 (B) in the matter following paragraph (2)
8 of subsection (g), by striking “Committee on
9 Labor and Human Resources of the Senate and
10 the Committee on Education and the Workforce
11 of the House of Representatives” and inserting
12 “authorizing committees”; and

13 (C) in subsection (n)(4), “Committee on
14 Education and the Workforce of the House of
15 Representatives and the Committee on Labor
16 and Human Resources of the Senate” and in-
17 serting “authorizing committees”;

18 (7) in section 428A (20 U.S.C. 1078–1)—

19 (A) in the matter preceding subparagraph
20 (A) of subsection (a)(4), by striking “Com-
21 mittee on Labor and Human Resources of the
22 Senate and the Committee on Education and
23 the Workforce of the House of Representatives”
24 and inserting “authorizing committees”; and

25 (B) in subsection (c)—

1 (i) in the matter preceding subpara-
 2 graph (A) of paragraph (2), by striking
 3 “Chairperson” and all that follows through
 4 “House of Representatives” and inserting
 5 “Chairpersons and Ranking Members of
 6 the authorizing committees”;

7 (ii) in paragraph (3), by striking
 8 “Chairperson” and all that follows through
 9 “House of Representatives” and inserting
 10 “Chairpersons and Ranking Members of
 11 the authorizing committees”; and

12 (iii) in paragraph (5), by striking
 13 “Chairperson” and all that follows through
 14 “House of Representatives” and inserting
 15 “Chairpersons and Ranking Members of
 16 the authorizing committees”;

17 (8) in the matter preceding paragraph (1) of
 18 section 428I(h) (20 U.S.C. 1078–9(h)), by striking
 19 “Chairman” and all that follows through “Education
 20 and Labor” and inserting “Chairpersons of the au-
 21 thorizing committees”;

22 (9) in section 432 (20 U.S.C. 1082)—

23 (A) in subsection (f)(1)(C), by striking
 24 “the Committee on Education and the Work-
 25 force of the House of Representatives or the

1 Committee on Labor and Human Resources of
2 the Senate” and inserting “either of the author-
3 izing committees”; and

4 (B) in the matter following subparagraph
5 (D) of subsection (n)(3), by striking “Com-
6 mittee on Education and the Workforce of the
7 House of Representatives and the Committee
8 on Labor and Human Resources of the Senate”
9 and inserting “authorizing committees”;

10 (10) in section 437(c)(1) (20 U.S.C.
11 1087(c)(1)), by striking “Committee on Education
12 and the Workforce of the House of Representatives
13 and the Committee on Labor and Human Resources
14 of the Senate” and inserting “authorizing commit-
15 tees”;

16 (11) in section 439 (20 U.S.C. 1087-2)—

17 (A) in subsection (d)(1)(E)(iii), by striking
18 “advise the Chairman” and all that follows
19 through “House of Representatives” and insert-
20 ing “advise the Chairpersons and Ranking
21 Members of the authorizing committees”;

22 (B) in subsection (r)—

23 (i) in paragraph (3), by striking “in-
24 form the Chairman” and all that follows
25 through “House of Representatives,” and

1 inserting “inform the Chairpersons and
2 Ranking Members of the authorizing com-
3 mittees”;

4 (ii) in paragraph (5)(B), by striking
5 “plan, to the Chairman” and all that fol-
6 lows through “Education and Labor” and
7 inserting “plan, to the Chairpersons and
8 Ranking Members of the authorizing com-
9 mittees”;

10 (iii) in paragraph (6)(B)—

11 (I) by striking “plan, to the
12 Chairman” and all that follows
13 through “House of Representatives”
14 and inserting “plan, to the Chair-
15 persons and Ranking Members of the
16 authorizing committees”; and

17 (II) by striking “Chairmen and
18 ranking minority members of such
19 Committees” and inserting “Chair-
20 persons and Ranking Members of the
21 authorizing committees”;

22 (iv) in paragraph (8)(C), by striking
23 “implemented to the Chairman” and all
24 that follows through “House of Represent-
25 atives, and” and inserting “implemented to

the Chairpersons and Ranking Members of
the authorizing committees, and to”; and

(v) in the matter preceding subparagraph (A) of paragraph (10), by striking “days to the Chairman” and all that follows through “Education and Labor” and inserting “days to the Chairpersons and Ranking Members of the authorizing committees”; and

(C) in subsection (s)(2)—

(i) in the matter preceding clause (i) of subparagraph (A), by striking “Treasury and to the Chairman” and all that follows through “House of Representatives” and inserting “Treasury and to the Chairpersons and Ranking Members of the authorizing committees”; and

(ii) in subparagraph (B), by striking “Treasury and to the Chairman” and all that follows through “House of Representatives” and inserting “Treasury and to the Chairpersons and Ranking Members of the authorizing committees”;

(12) in section 455(b)(8)(B) (20 U.S.C. 1087e(b)(8)(B)), by striking “Committee on Labor

1 and Human Resources of the Senate and the Com-
 2 mittee on Education and the Workforce of the
 3 House of Representatives” and inserting “author-
 4 izing committees”;

5 (13) in section 482(d) (20 U.S.C. 1089(d)), by
 6 striking “Committee on Labor and Human Re-
 7 sources of the Senate and the Committee on Edu-
 8 cation and Labor of the House of Representatives”
 9 and inserting “authorizing committees”;

10 (14) in section 483(c) (20 U.S.C. 1090(c)), by
 11 striking “Committee on Labor and Human Re-
 12 sources of the Senate and the Committee on Edu-
 13 cation and the Workforce of the House of Rep-
 14 resentatives” and inserting “authorizing commit-
 15 tees”;

16 (15) in section 485 (20 U.S.C. 1092)—

17 (A) in subsection (f)(5)(A), by striking
 18 “Committee on Education and the Workforce of
 19 the House of Representatives and the Com-
 20 mittee on Labor and Human Resources of the
 21 Senate” and inserting “authorizing commit-
 22 tees”; and

23 (B) in subsection (g)(4)(B), by striking
 24 “Committee on Education and the Workforce of
 25 the House of Representatives and the Com-

mittee on Labor and Human Resources of the
Senate” and inserting “authorizing committees”;

(16) in section 486 (20 U.S.C. 1093)—

(A) in subsection (e), by striking “Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives” and inserting “authorizing committees”; and

(B) in subsection (f)(3)—

(i) in the matter preceding clause (i) of subparagraph (A), by striking “Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives” and inserting “authorizing committees”; and

(ii) in the matter preceding clause (i) of subparagraph (B), by striking “Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives” and inserting “authorizing committees”;

(17) in section 487A (20 U.S.C. 1094a)—

1 (A) in subsection (a)(5), by striking “Com-
 2 mittee on Labor and Human Resources of the
 3 Senate and the Committee on Education and
 4 the Workforce of the House of Representatives”
 5 and inserting “authorizing committees”; and

6 (B) in subsection (b)(3)(B), in the matter
 7 preceding clause (i)—

8 (i) by striking “Committee on Labor
 9 and Human Resources of the Senate and
 10 the Committee on Education and the
 11 Workforce of the House of Representa-
 12 tives” and inserting “authorizing commit-
 13 tees”; and

14 (ii) by striking “such Committees”
 15 and inserting “the authorizing commit-
 16 tees”;

17 (18) in section 493A(a)(5) (20 U.S.C.
 18 1098c(a)(5)), by striking “Chairperson of the Com-
 19 mittee on Labor and Human Resources of the Sen-
 20 ate and the Chairperson of the Committee on Edu-
 21 cation and the Workforce of the House of Rep-
 22 resentatives” and inserting “Chairpersons of the au-
 23 thorizing committees”; and

24 (19) in section 498B(d) (20 U.S.C. 1099c-
 25 2(d))—

1 (A) in paragraph (1), by striking “Com-
 2 mittee on Labor and Human Resources of the
 3 Senate and the Committee on Education and
 4 the Workforce of the House of Representatives”
 5 and inserting “authorizing committees”; and

6 (B) in paragraph (2), by striking “Com-
 7 mittee on Labor and Human Resources of the
 8 Senate and the Committee on Education and
 9 the Workforce of the House of Representatives”
 10 and inserting “authorizing committees”.

11 **SEC. 102. GENERAL DEFINITION OF INSTITUTION OF HIGH-**
 12 **ER EDUCATION.**

13 Section 101 (20 U.S.C. 1001) is amended—

14 (1) in subsection (a)(3), by inserting “, or
 15 awards a degree that is acceptable for admission to
 16 a graduate or professional degree program, subject
 17 to the review and approval by the Secretary” after
 18 “such a degree”; and

19 (2) by striking subsection (b)(2) and inserting
 20 the following:

21 “(2) a public or nonprofit private educational
 22 institution in any State that, in lieu of the require-
 23 ment in subsection (a)(1), admits as regular stu-
 24 dents persons—

1 “(A) who meet the requirements of section
2 484(d)(3);

3 “(B) who are beyond the age of compul-
4 sory school attendance in the State in which the
5 institution is located; or

6 “(C) who will be dually or concurrently en-
7 rolled in such institution and a secondary
8 school.”.

9 **SEC. 103. DEFINITION OF INSTITUTION OF HIGHER EDU-**
10 **CATION FOR PURPOSES OF TITLE IV PRO-**
11 **GRAMS.**

12 Section 102 (20 U.S.C. 1002) is amended—

13 (1) in subsection (a)—

14 (A) by striking paragraph (2)(A)(i) and in-
15 serting the following:

16 “(i) in the case of a graduate medical
17 school located outside the United States—

18 “(I) at least 60 percent of those
19 enrolled in, and at least 60 percent of
20 the graduates of, the graduate med-
21 ical school outside the United States
22 were not persons described in section
23 484(a)(5) in the year preceding the
24 year for which a student is seeking a
25 loan under part B of title IV; and

1 “(II) at least 60 percent of the
 2 individuals who were students or
 3 graduates of the graduate medical
 4 school outside the United States or
 5 Canada (both nationals of the United
 6 States and others) taking the exami-
 7 nations administered by the Edu-
 8 cational Commission for Foreign Med-
 9 ical Graduates received a passing
 10 score in the year preceding the year
 11 for which a student is seeking a loan
 12 under part B of title IV; or”;

13 (B) by striking paragraph (3) and insert-
 14 ing the following:

15 “(3) LIMITATIONS BASED ON ENROLLMENT.—
 16 An institution shall not be considered to meet the
 17 definition of an institution of higher education in
 18 paragraph (1) if such institution—

19 “(A) has a student enrollment in which
 20 more than 25 percent of the students are incar-
 21 cerated, except that the Secretary may waive
 22 the limitation contained in this subparagraph
 23 for a nonprofit institution that provides a 2- or
 24 4-year program of instruction (or both) for
 25 which the institution awards a bachelor’s de-

gree, or an associate's degree or a postsecondary diploma, respectively; or

“(B) has a student enrollment in which more than 50 percent of the students do not have a secondary school diploma or its recognized equivalent, and does not provide a 2- or 4-year program of instruction (or both) for which the institution awards a bachelor's degree or an associate's degree, respectively, except that the Secretary may waive the limitation contained in this subparagraph if a nonprofit institution demonstrates to the satisfaction of the Secretary that the institution exceeds such limitation because the institution serves, through contracts with Federal, State, or local government agencies, significant numbers of students who do not have a secondary school diploma or its recognized equivalent.”;

(C) by redesignating paragraphs (4), (5), and (6), as paragraphs (5), (6), and (7), respectively; and

(D) by inserting after paragraph (3) the following:

“(4) LIMITATIONS BASED ON MODE OF DELIVERY.—

1 “(A) IN GENERAL.—An institution shall
2 not be considered to meet the definition of an
3 institution of higher education in paragraph (1)
4 if such institution—

5 “(i) offers more than 50 percent of
6 such institution’s courses by correspond-
7 ence, unless the institution is an institution
8 that meets the definition in section 3(3)(C)
9 of the Carl D. Perkins Vocational and
10 Technical Education Act of 1998; or

11 “(ii) enrolls 50 percent or more of the
12 institution’s students in correspondence
13 courses, unless the institution is an institu-
14 tion that meets the definition in such sec-
15 tion 3(3)(C), except that the Secretary, at
16 the request of such institution, may waive
17 the applicability of this subparagraph to
18 such institution for good cause, as deter-
19 mined by the Secretary in the case of an
20 institution of higher education that pro-
21 vides a 2- or 4-year program of instruction
22 (or both) for which the institution awards
23 an associate or baccalaureate degree, re-
24 spectively.

1 “(B) DISTANCE EDUCATION PROGRAM ELI-
2 GIBILITY.—Notwithstanding subparagraph (A),
3 an institution of higher education, other than a
4 foreign institution, that offers education or
5 training programs principally through distance
6 education shall be considered to meet the defini-
7 tion of an institution of higher education in
8 paragraph (1) if such institution—

9 “(i) has been evaluated and deter-
10 mined (before or after the date of enact-
11 ment of the Higher Education Amend-
12 ments of 2005) to have capability to effec-
13 tively deliver distance education programs
14 by an accrediting agency or association
15 that—

16 “(I) is recognized by the Sec-
17 retary under title IV; and

18 “(II) has evaluation of distance
19 education programs within the scope
20 of its recognition, as described in sec-
21 tion 496(n)(3);

22 “(ii) is otherwise eligible to participate
23 in programs authorized under title IV;

24 “(iii) has not had its participation in
25 programs under title IV suspended or ter-

minated within the 5 years preceding the
year for which the determination is made;

“(iv) has not had, or failed to resolve,
an audit finding or program review finding
under this Act during the 2 years pre-
ceding the year for which the determina-
tion is made that, following any appeal to
the Secretary, resulted in the institution
being required to repay an amount that is
equal to or greater than 25 percent of the
total funds the institution received under
the programs authorized under title IV for
the most recent award year; and

“(v) has met the requirements of sec-
tion 487(d), if applicable.

“(C) DEFINITION.—

“(i) IN GENERAL.—In this Act, except
as otherwise provided, the term ‘distance
education’ means a course or program that
uses 1 or more of the technologies de-
scribed in clause (ii) to—

“(I) deliver instruction to stu-
dents who are separated from the in-
structor; and

1 “(II) support regular and sub-
 2 stantive interaction between the stu-
 3 dents and the instructor, either syn-
 4 chronously or asynchronously.

5 “(ii) INCLUSIONS.—For the purposes
 6 of clause (i), the technologies used may in-
 7 clude—

8 “(I) the Internet;

9 “(II) one-way and two-way trans-
 10 missions through open broadcast,
 11 closed circuit, cable, microwave,
 12 broadband lines, fiber optics, satellite,
 13 or wireless communications devices;

14 “(III) audio conferencing; or

15 “(IV) video cassette, DVDs, and
 16 CD-ROMs, provided that they are
 17 used in a course in conjunction with
 18 the technologies listed in subclauses
 19 (I) through (III).”; and

20 (2) in subsection (b)(1)—

21 (A) in subparagraph (D), by inserting
 22 “and” after the semicolon;

23 (B) in subparagraph (E), by striking “;
 24 and” and inserting a period; and

25 (C) by striking subparagraph (F).

1 **SEC. 104. PROTECTION OF STUDENT SPEECH AND ASSOCIA-**
2 **TION RIGHTS.**

3 Section 112 (20 U.S.C. 1011a) is amended—

4 (1) in subsection (a)—

5 (A) by inserting “(1)” before “It is the
6 sense”; and

7 (B) by adding at the end the following:

8 “(2) It is the sense of Congress that—

9 “(A) the diversity of institutions and edu-
10 cational missions is one of the key strengths of
11 American higher education;

12 “(B) individual colleges and universities have
13 different missions and each institution should design
14 its academic program in accordance with its edu-
15 cational goals;

16 “(C) within the context of institutional mission,
17 a college should facilitate the free and open ex-
18 change of ideas;

19 “(D) students should not be intimidated, har-
20 assed, discouraged from speaking out, or discrimi-
21 nated against;

22 “(E) students should be treated equally and
23 fairly; and

24 “(F) nothing in this paragraph shall be con-
25 strued to modify, change, or infringe upon any con-

stitutionally protected religious liberty, freedom, expression, or association.”; and

(2) in subsection (b)(1), by inserting “, provided that the imposition of such sanction is done objectively and fairly” after “higher education”.

SEC. 105. NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY AND INTEGRITY.

Section 114(g) (20 U.S.C. 1011c(g)) is amended by striking “September 30, 2004” and inserting “September 30, 2011”.

SEC. 106. DRUG AND ALCOHOL ABUSE PREVENTION.

Section 120 (20 U.S.C. 1011i) is amended by striking subsections (e) and (f) and inserting the following:

“(e) GRANTS DIRECTED AT REDUCING HIGHER EDUCATION DRUG AND ALCOHOL ABUSE.—

“(1) AUTHORIZATION OF PROGRAM.—The Secretary may award grants to eligible entities to enable the entities to reduce the rate of drug abuse, underage alcohol use, and binge drinking among students at institutions of higher education.

“(2) APPLICATIONS.—An eligible entity that desires to receive a grant under this subsection shall submit an application to the Secretary at such time, in such manner, and accompanied by such informa-

1 tion as the Secretary may require. Each application
2 shall include—

3 “(A) a description of how the eligible enti-
4 ty will work to enhance an existing, or where
5 none exists to build a, statewide coalition;

6 “(B) a description of how the eligible enti-
7 ty will target underage students in the State;

8 “(C) a description of how the eligible enti-
9 ty intends to ensure that the statewide coalition
10 is actually implementing the purpose described
11 in paragraph (1) and moving toward the
12 achievement indicators described in paragraph
13 (4);

14 “(D) a list of the members of the statewide
15 coalition or interested parties involved in the
16 work of the eligible entity;

17 “(E) a description of how the eligible enti-
18 ty intends to work with State agencies on sub-
19 stance abuse prevention and education;

20 “(F) the anticipated impact of funds pro-
21 vided under this subsection in reducing the
22 rates of drug abuse and underage alcohol use;

23 “(G) outreach strategies, including ways in
24 which the eligible entity proposes to—

25 “(i) reach out to students;

1 “(ii) promote the purpose described in
2 paragraph (1);

3 “(iii) address the range of needs of
4 the students and the surrounding commu-
5 nities; and

6 “(iv) address community norms for
7 underage students regarding drug abuse
8 and alcohol use; and

9 “(H) such additional information as re-
10 quired by the Secretary.

11 “(3) USES OF FUNDS.—Each eligible entity
12 that receives a grant under this subsection shall use
13 the grant funds to carry out the activities described
14 in such entity’s application submitted pursuant to
15 paragraph (2).

16 “(4) ACCOUNTABILITY.—On the date on which
17 the Secretary first publishes a notice in the Federal
18 Register soliciting applications for grants under this
19 subsection, the Secretary shall include in the notice
20 achievement indicators for the program authorized
21 under this subsection. The achievement indicators
22 shall be designed—

23 “(A) to measure the impact that the state-
24 wide coalitions assisted under this subsection
25 are having on the institutions of higher edu-

1 cation and the surrounding communities, in-
 2 cluding changes in the number of alcohol and
 3 drug-related abuse incidents of any kind (in-
 4 cluding violations, physical assaults, sexual as-
 5 saults, reports of intimidation, disruptions of
 6 school functions, disruptions of student studies,
 7 mental health referrals, illnesses, or deaths);

8 “(B) to measure the quality and accessi-
 9 bility of the programs or information offered by
 10 the statewide coalitions; and

11 “(C) to provide such other measures of
 12 program impact as the Secretary determines
 13 appropriate.

14 “(5) SUPPLEMENT NOT SUPPLANT.—Grant
 15 funds provided under this subsection shall be used to
 16 supplement, and not supplant, Federal and non-Fed-
 17 eral funds available for carrying out the activities
 18 described in this subsection.

19 “(6) DEFINITIONS.—In this subsection:

20 “(A) ELIGIBLE ENTITY.—The term ‘eligi-
 21 ble entity’ means a State, an institution of
 22 higher education, or a nonprofit entity.

23 “(B) INSTITUTION OF HIGHER EDU-
 24 CATION.—The term ‘institution of higher edu-

1 cation’ has the meaning given the term in sec-
 2 tion 101(a).

3 “(C) STATE.—The term ‘State’ means
 4 each of the 50 States, the District of Columbia,
 5 and the Commonwealth of Puerto Rico.

6 “(D) STATEWIDE COALITION.—The term
 7 ‘statewide coalition’ means a coalition that—

8 “(i) includes—

9 “(I) institutions of higher edu-
 10 cation within a State; and

11 “(II) a nonprofit group, a com-
 12 munity drug abuse or underage drink-
 13 ing prevention coalition, or another
 14 substance abuse prevention group
 15 within a State; and

16 “(ii) works toward lowering the alco-
 17 hol abuse rate by targeting underage stu-
 18 dents at institutions of higher education
 19 throughout the State and in the sur-
 20 rounding communities.

21 “(E) SURROUNDING COMMUNITY.—The
 22 term ‘surrounding community’ means the com-
 23 munity—

1 “(i) that surrounds an institution of
 2 higher education participating in a state-
 3 wide coalition;

4 “(ii) where the students from the in-
 5 stitution of higher education take part in
 6 the community; and

7 “(iii) where students from the institu-
 8 tion of higher education live in off-campus
 9 housing.

10 “(7) ADMINISTRATIVE EXPENSES.—Not more
 11 than 5 percent of a grant awarded under this sub-
 12 section may be expended for administrative ex-
 13 penses.

14 “(8) AUTHORIZATION OF APPROPRIATIONS.—
 15 There are authorized to be appropriated to carry out
 16 this subsection such sums as may be necessary for
 17 fiscal year 2006 and each of the 5 succeeding fiscal
 18 years.”.

19 **SEC. 107. PRIOR RIGHTS AND OBLIGATIONS.**

20 Section 121(a) (20 U.S.C. 1011j(a)) is amended—

21 (1) in paragraph (1), by striking “1999” and
 22 inserting “2006”; and

23 (2) in paragraph (2), by striking “1999” and
 24 inserting “2006”.

1 **SEC. 108. COST OF HIGHER EDUCATION.**

2 Section 131 (20 U.S.C. 1015) is amended—

3 (1) by striking subsection (b) and inserting the
4 following:

5 “(b) COLLEGE CONSUMER INFORMATION.—

6 “(1) IN GENERAL.—The Secretary shall make
7 available to the public, on an annual basis, the infor-
8 mation described in paragraph (2), in a form that
9 enables the public to compare the information
10 among institutions of higher education. Such infor-
11 mation shall be made available for each of the cat-
12 egories described in paragraph (3) and updated reg-
13 ularly.

14 “(2) INFORMATION.—The information de-
15 scribed in this paragraph is the following:

16 “(A) Tuition and fees for a full-time un-
17 dergraduate student.

18 “(B) Cost of attendance for a full-time un-
19 dergraduate student.

20 “(C) The average annual cost of attend-
21 ance for a full-time undergraduate student for
22 the 10 academic years preceding the year for
23 which the information is made available under
24 this subsection, or if data are not available for
25 such 10 preceding academic years, data for as

1 many of such 10 preceding academic years as
2 are available.

3 “(D) The percentage of full-time under-
4 graduate students receiving financial assistance,
5 including—

6 “(i) Federal grants;

7 “(ii) State and local grants;

8 “(iii) institutional grants; and

9 “(iv) loans to students.

10 “(E) The percentage of students success-
11 fully transferring academic credit from another
12 institution of higher education.

13 “(F) Information regarding students who
14 have completed an undergraduate certificate or
15 degree program and who are placed in employ-
16 ment.

17 “(G) Information regarding students who
18 have completed an undergraduate degree and
19 who enroll in graduate education.

20 “(H) A ranking of the dollar and percent-
21 age increases in tuition for all institutions of
22 higher education for which data are available,
23 disaggregated by quartiles.

24 “(3) CATEGORIES.—The categories described in
25 this paragraph are as follows:

1 “(A) All institutions of higher education.

2 “(B) 4-year public, degree-granting, insti-
3 tutions of higher education.

4 “(C) 2-year public, degree-granting, insti-
5 tutions of higher education.

6 “(D) 4-year, nonprofit, private, degree-
7 granting institutions of higher education.

8 “(E) 2-year, nonprofit, private, degree-
9 granting institutions of higher education.

10 “(F) 4-year, for-profit, private, degree-
11 granting institutions of higher education.

12 “(G) 2-year, for-profit, private, degree-
13 granting institutions of higher education.

14 “(4) STANDARD DEFINITIONS.—In carrying out
15 this section, the Secretary shall use the standard
16 definitions developed under subsection (a)(3).”; and
17 (2) in subsection (c)—

18 (A) in paragraph (1), by inserting “be con-
19 ducted on an annual basis and” after “Such
20 study shall”;

21 (B) in paragraph (2)—

22 (i) in subparagraph (B), by striking
23 “and” after the semicolon;

24 (ii) in subparagraph (C), by striking
25 the period and inserting a semicolon; and

1 (iii) by adding at the end the fol-
 2 lowing:

3 “(D) the average cost of attending an in-
 4 stitution of higher education, disaggregated by
 5 category, as described in subsection (b)(3), of
 6 institution of higher education;

7 “(E) the average annual cost of attending
 8 an institution of higher education for the 10
 9 academic years preceding the year for which the
 10 study is conducted (if available), disaggregated
 11 by category, as described in subsection (b)(3),
 12 of institution of higher education; and

13 “(F) the assistance provided to institutions
 14 of higher education by each State, which infor-
 15 mation the Secretary shall make available to
 16 the public.”;

17 (C) in paragraph (3)—

18 (i) in the paragraph heading, by strik-
 19 ing “FINAL” and inserting “ANNUAL”;

20 (ii) by striking “a report” and insert-
 21 ing “an annual report”; and

22 (iii) by striking “not later than Sep-
 23 tember 30, 2002”; and

24 (D) by striking paragraph (4) and insert-
 25 ing the following:

1 “(4) HIGHER EDUCATION COST INDEX.—The
 2 Bureau of Labor Statistics, in consultation with the
 3 Commissioner of Education Statistics, shall develop
 4 a higher education cost index that tracks inflation
 5 changes in the relevant costs associated with higher
 6 education.”.

7 **SEC. 109. PERFORMANCE-BASED ORGANIZATION FOR THE**
 8 **DELIVERY OF FEDERAL STUDENT FINANCIAL**
 9 **ASSISTANCE.**

10 Section 141 (20 U.S.C. 1018) is amended—

11 (1) in subsection (a)—

12 (A) in paragraph (1), by striking “oper-
 13 ational” and inserting “administrative and
 14 oversight”; and

15 (B) in paragraph (2)(D), by striking “of
 16 the operational functions” and inserting “and
 17 administration”;

18 (2) in subsection (b)—

19 (A) in paragraph (1)—

20 (i) in subparagraph (A), by striking
 21 “the information systems administered by
 22 the PBO, and other functions performed
 23 by the PBO” and inserting “the Federal
 24 student financial assistance programs au-
 25 thorized under title IV”; and

1 (ii) by striking subparagraph (C) and
 2 inserting the following:

3 “(C) assist the Chief Operating Officer in
 4 identifying goals for—

5 “(i) the administration of the systems
 6 used to administer the Federal student fi-
 7 nancial assistance programs authorized
 8 under title IV; and

9 “(ii) the updating of such systems to
 10 current technology.”; and

11 (B) in paragraph (2)—

12 (i) in the matter preceding subpara-
 13 graph (A), by striking “administration of
 14 the information and financial systems that
 15 support” and inserting “the administration
 16 of Federal”;

17 (ii) in subparagraph (A)—

18 (I) in the matter preceding clause
 19 (i), by striking “of the delivery system
 20 for Federal student assistance” and
 21 inserting “for the Federal student as-
 22 sistance programs authorized under
 23 title IV”;

24 (II) by striking clauses (i) and
 25 (ii) and inserting the following:

1 “(i) the collection, processing, and
 2 transmission of data to students, institu-
 3 tions, lenders, State agencies, and other
 4 authorized parties;

5 “(ii) the design and technical speci-
 6 fications for software development and pro-
 7 curement for systems supporting the stu-
 8 dent financial assistance programs author-
 9 ized under title IV;”;

10 (III) in clause (iii), by striking
 11 “delivery” and inserting “administra-
 12 tion”;

13 (IV) in clause (iv)—

14 (aa) by inserting “the” after
 15 “supporting”; and

16 (bb) by striking “and” after
 17 the semicolon;

18 (V) in clause (v), by striking
 19 “systems that support those pro-
 20 grams.” and inserting “the adminis-
 21 tration of the Federal student assist-
 22 ance programs authorized under title
 23 IV; and”; and

24 (VI) by adding at the end the fol-
 25 lowing:

1 “(vi) ensuring the integrity of the stu-
 2 dent assistance programs authorized under
 3 title IV.”; and

4 (iii) in subparagraph (B), by striking
 5 “operations and services” and inserting
 6 “activities and functions”; and

7 (3) in subsection (c)—

8 (A) in paragraph (1)(C)—

9 (i) in clause (iii), by striking “infor-
 10 mation and delivery”; and

11 (ii) in clause (iv)—

12 (I) by striking “Developing an”
 13 and inserting “Developing”; and

14 (II) by striking “delivery and in-
 15 formation system” and inserting “sys-
 16 tems”;

17 (B) in paragraph (2)—

18 (i) in subparagraph (A), by inserting
 19 “the” after “PBO and”; and

20 (ii) in subparagraph (B), by striking
 21 “Officer” and inserting “Officers”; and

22 (C) in paragraph (3), by inserting “stu-
 23 dents,” after “consult with”;

24 (4) in subsection (d)—

1 (A) in paragraph (1), by striking the sec-
 2 ond sentence; and

3 (B) in paragraph (5)—

4 (i) in subparagraph (B), by striking
 5 “paragraph (2)” and inserting “paragraph
 6 (4)”; and

7 (ii) in subparagraph (C), by striking
 8 “this”;

9 (5) in subsection (f)—

10 (A) in paragraph (2), by striking “to bor-
 11 rowers” and inserting “to students, bor-
 12 rowers,”; and

13 (B) in paragraph (3)(A), by striking
 14 “(1)(A)” and inserting “(1)”;

15 (6) in subsection (g)(3), by striking “not more
 16 than 25”;

17 (7) in subsection (h), by striking “organiza-
 18 tional effectiveness” and inserting “effectiveness”;

19 (8) by striking subsection (i);

20 (9) by redesignating subsection (j) as sub-
 21 section (i); and

22 (10) in subsection (i) (as redesignated by para-
 23 graph (9)), by striking “, including transition costs”.

24 **SEC. 110. PROCUREMENT FLEXIBILITY.**

25 Section 142 (20 U.S.C. 1018a) is amended—

1 (1) in subsection (b)—

2 (A) in paragraph (1)—

3 (i) by striking “for information sys-
4 tems supporting the programs authorized
5 under title IV”; and

6 (ii) by striking “and” after the semi-
7 colon;

8 (B) in paragraph (2), by striking the pe-
9 riod at the end and inserting “; and”; and

10 (C) by adding at the end the following:

11 “(3) through the Chief Operating Officer—

12 “(A) to the maximum extent practicable,
13 utilize procurement systems that streamline op-
14 erations, improve internal controls, and enhance
15 management; and

16 “(B) assess the efficiency of such systems
17 and assess such systems’ ability to meet PBO
18 requirements.”;

19 (2) by striking subsection (c)(2) and inserting
20 the following:

21 “(2) FEE FOR SERVICE ARRANGEMENTS.—The
22 Chief Operating Officer shall, when appropriate and
23 consistent with the purposes of the PBO, acquire
24 services related to the functions set forth in section
25 141(b)(2) from any entity that has the capability

1 and capacity to meet the requirements set by the
 2 PBO. The Chief Operating Officer is authorized to
 3 pay fees that are equivalent to those paid by other
 4 entities to an organization that provides services
 5 that meet the requirements of the PBO, as deter-
 6 mined by the Chief Operating Officer.”;

7 (3) in subsection (d)(2)(B), by striking “on
 8 Federal Government contracts”;

9 (4) in subsection (g)—

10 (A) in paragraph (4)(A)—

11 (i) in the subparagraph heading, by
 12 striking “SOLE SOURCE.—” and inserting
 13 “SINGLE-SOURCE BASIS.—”; and

14 (ii) by striking “sole-source” and in-
 15 serting “single-source”; and

16 (B) in paragraph (7), by striking “sole-
 17 source” and inserting “single-source”;

18 (5) in subsection (h)(2)(A), by striking “sole-
 19 source” and inserting “single-source”; and

20 (6) in subsection (l), by striking paragraph (3)
 21 and inserting the following:

22 “(3) SINGLE-SOURCE BASIS.—The term ‘single-
 23 source basis’, with respect to an award of a contract,
 24 means that the contract is awarded to a source after
 25 soliciting an offer or offers from, and negotiating

1 with, only such source (although such source is not
 2 the only source in the marketplace capable of meet-
 3 ing the need) because such source is the most advan-
 4 tageous source for purposes of the award.”.

5 **TITLE II—TEACHER QUALITY** 6 **ENHANCEMENT**

7 **SEC. 201. TEACHER QUALITY ENHANCEMENT GRANTS FOR** 8 **STATES AND PARTNERSHIPS.**

9 Part A of title II (20 U.S.C. 1021 et seq.) is amended
 10 to read as follows:

11 **“PART A—TEACHER QUALITY ENHANCEMENT** 12 **GRANTS FOR STATES AND PARTNERSHIPS**

13 **“SEC. 201. PURPOSES; DEFINITIONS.**

14 “(a) PURPOSES.—The purposes of this part are to—

15 “(1) improve student achievement;

16 “(2) improve the quality of the current and fu-
 17 ture teaching force by improving the preparation of
 18 prospective teachers and enhancing professional de-
 19 velopment activities;

20 “(3) hold institutions of higher education ac-
 21 countable for preparing highly qualified teachers;
 22 and

23 “(4) recruit qualified individuals, including mi-
 24 norities and individuals from other occupations, into
 25 the teaching force.

1 “(b) DEFINITIONS.—In this part:

2 “(1) ARTS AND SCIENCES.—The term ‘arts and
3 sciences’ means—

4 “(A) when referring to an organizational
5 unit of an institution of higher education, any
6 academic unit that offers 1 or more academic
7 majors in disciplines or content areas cor-
8 responding to the academic subject areas in
9 which teachers provide instruction; and

10 “(B) when referring to a specific academic
11 subject area, the disciplines or content areas in
12 which academic majors are offered by the arts
13 and sciences organizational unit.

14 “(2) CHILDREN FROM LOW-INCOME FAMI-
15 LIES.—The term ‘children from low-income families’
16 means children as described in section 1124(c)(1)(A)
17 of the Elementary and Secondary Education Act of
18 1965.

19 “(3) EARLY CHILDHOOD EDUCATION PRO-
20 GRAM.—The term ‘early childhood education pro-
21 gram’ means a Head Start program or an Early
22 Head Start program carried out under the Head
23 Start Act (42 U.S.C. 9831 et seq.), a State licensed
24 or regulated child care program or school, or a State
25 prekindergarten program that serves children from

1 birth through kindergarten and that addresses the
 2 children’s cognitive (including language, early lit-
 3 eracy, and pre-numeracy), social, emotional, and
 4 physical development.

5 “(4) EARLY CHILDHOOD EDUCATOR.—The
 6 term ‘early childhood educator’ means an individual
 7 with primary responsibility for the education of chil-
 8 dren in an early childhood education program.

9 “(5) EDUCATIONAL SERVICE AGENCY.—The
 10 term ‘educational service agency’ has the meaning
 11 given such term in section 9101 of the Elementary
 12 and Secondary Education Act of 1965.

13 “(6) EXEMPLARY TEACHER.—The term ‘exem-
 14 plary teacher’ has the meaning given such term in
 15 section 9101 of the Elementary and Secondary Edu-
 16 cation Act of 1965.

17 “(7) HIGH-NEED LOCAL EDUCATIONAL AGEN-
 18 CY.—The term ‘high-need local educational agency’
 19 means a local educational agency or educational
 20 service agency—

21 “(A)(i) that serves not fewer than 10,000
 22 children from low-income families;

23 “(ii) for which not less than 20 percent of
 24 the children served by the agency are children
 25 from low-income families; or

1 “(iii) with a total of less than 600 students
 2 in average daily attendance at the schools that
 3 are served by the agency and all of whose
 4 schools are designated with a school locale code
 5 of 7 or 8, as determined by the Secretary; and

6 “(B)(i) for which there is a high percent-
 7 age of teachers not teaching in the academic
 8 subject areas or grade levels in which the teach-
 9 ers were trained to teach; or

10 “(ii) for which there is a high teacher
 11 turnover rate or a high percentage of teachers
 12 with emergency, provisional, or temporary cer-
 13 tification or licensure.

14 “(8) HIGHLY QUALIFIED.—The term ‘highly
 15 qualified’ has the meaning given such term in sec-
 16 tion 9101 of the Elementary and Secondary Edu-
 17 cation Act of 1965 and, with respect to special edu-
 18 cation teachers, in section 602 of the Individuals
 19 with Disabilities Education Act.

20 “(9) PROFESSIONAL DEVELOPMENT.—The
 21 term ‘professional development’ has the meaning
 22 given such term in section 9101 of the Elementary
 23 and Secondary Education Act of 1965.

24 “(10) SCIENTIFICALLY BASED READING RE-
 25 SEARCH.—The term ‘scientifically based reading re-

1 search' has the meaning given such term in section
 2 1208 of the Elementary and Secondary Education
 3 Act of 1965.

4 “(11) SCIENTIFICALLY BASED RESEARCH.—
 5 The term ‘scientifically based research’ has the
 6 meaning given such term in section 9101 of the Ele-
 7 mentary and Secondary Education Act of 1965.

8 “(12) TEACHER MENTORING.—The term
 9 ‘teacher mentoring’ means mentoring of teachers
 10 through an established or implemented program—

11 “(A) that includes qualifications for men-
 12 tors;

13 “(B) that provides training for mentors;

14 “(C) that provides regular and ongoing op-
 15 portunities for mentors and mentees to observe
 16 each other’s teaching methods in classroom set-
 17 tings during the school day;

18 “(D) in which the mentoring is provided by
 19 a colleague who teaches in the same field,
 20 grade, or subject as the mentee; and

21 “(E) that includes—

22 “(i) common planning time or regu-
 23 larly scheduled collaboration with teachers
 24 in the teachers’ same field, grade, or sub-
 25 ject area; and

1 “(ii) additional professional develop-
2 ment opportunities.

3 “(13) TEACHING SKILLS.—The term ‘teaching
4 skills’ means the ability to—

5 “(A) increase student achievement;

6 “(B) effectively convey and explain aca-
7 demic subject matter;

8 “(C) employ strategies that—

9 “(i) are based on scientifically based
10 research;

11 “(ii) are specific to academic subject
12 matter; and

13 “(iii) focus on identification and tai-
14 loring of academic instruction to students’
15 specific learning needs, particularly stu-
16 dents with disabilities, students who are
17 limited English proficient, and students
18 who are gifted and talented;

19 “(D) conduct ongoing assessment of stu-
20 dent learning;

21 “(E) effectively manage a classroom;

22 “(F) communicate and work with parents
23 and guardians, and involve parents and guard-
24 ians in their children’s education; and

1 “(G) in the case of an early childhood edu-
 2 cator, use age appropriate strategies and prac-
 3 tices for children in early childhood education
 4 programs.

5 **“SEC. 202. STATE GRANTS.**

6 “(a) IN GENERAL.—From amounts made available
 7 under section 209(a)(1) for a fiscal year, the Secretary
 8 is authorized to award grants under this section, on a
 9 competitive basis, to eligible States to enable the eligible
 10 States to carry out the activities described in subsections
 11 (d) and (e).

12 “(b) ELIGIBLE STATE.—

13 “(1) DEFINITION.—In this part, the term ‘eligi-
 14 ble State’ means—

15 “(A) the Governor of a State; or

16 “(B) in the case of a State for which the
 17 constitution or law of such State designates an-
 18 other individual, entity, or agency in the State
 19 to be responsible for teacher certification or li-
 20 censure and preparation activity, such indi-
 21 vidual, entity, or agency.

22 “(2) CONSULTATION.—The Governor or the in-
 23 dividual, entity, or agency designated under para-
 24 graph (1)(B) shall consult with the Governor, State
 25 board of education, State educational agency, State

1 agency for higher education, or other applicable
 2 State entities (including the State agency responsible
 3 for early childhood education), as appropriate, with
 4 respect to the activities assisted under this section,
 5 including the development of the grant application
 6 and implementation of the activities.

7 “(3) CONSTRUCTION.—Nothing in this sub-
 8 section shall be construed to negate or supersede the
 9 legal authority under State law of any State agency,
 10 State entity, or State public official over programs
 11 that are under the jurisdiction of the agency, entity,
 12 or official.

13 “(c) APPLICATION.—To be eligible to receive a grant
 14 under this section, an eligible State shall submit an appli-
 15 cation to the Secretary that—

16 “(1) meets the requirement of this section;

17 “(2) demonstrates that the eligible State is in
 18 full compliance with—

19 “(A) sections 206(b) and 207; and

20 “(B) if applicable, sections 207(b) and
 21 208, as such sections were in effect on the day
 22 before the date of enactment of the Higher
 23 Education Amendments of 2005;

1 “(3) includes a description of how the eligible
2 State intends to use funds provided under this sec-
3 tion;

4 “(4) includes measurable objectives for the use
5 of the funds provided under this section;

6 “(5) describes how funded activities will—

7 “(A) reduce shortages, if any, of—

8 “(i) highly qualified general and spe-
9 cial education teachers, including in low-in-
10 come urban and rural areas and in high-
11 need academic subject areas; and

12 “(ii) fully competent early childhood
13 educators; and

14 “(B) be consistent with State, local, and
15 other education reform activities that promote
16 effective teaching skills and student academic
17 achievement and consistent with State early
18 learning standards for early childhood education
19 programs, including how funded activities will
20 support carrying out the applicable require-
21 ments of the eligible State under sections 1111
22 and 1119 of the Elementary and Secondary
23 Education Act of 1965, and section 612(a)(14)
24 of the Individuals with Disabilities Education
25 Act;

1 “(6) contains an assurance that the eligible
2 State will carry out each of the intended uses of
3 grant funds described in paragraph (3);

4 “(7) describes the eligible State’s—

5 “(A) current capacity to measure the effec-
6 tiveness of teacher preparation programs and
7 professional development activities within the
8 State using available statewide data;

9 “(B) activities to enhance or expand the
10 integration of existing data systems to better
11 measure the effectiveness of teacher preparation
12 programs and professional development activi-
13 ties within the State; or

14 “(C) if such data systems do not exist,
15 plans for the development of an integrated
16 statewide data system to measure the effective-
17 ness of teacher preparation programs and pro-
18 fessional development activities within the State
19 using available statewide data; and

20 “(8) contains such other information and assur-
21 ances as the Secretary may require.

22 “(d) REQUIRED USES OF FUNDS.—An eligible State
23 that receives a grant under this section shall use the grant
24 funds to reform teacher preparation requirements, to co-
25 ordinate with State activities under section 2113(c) of the

1 Elementary and Secondary Education Act of 1965 and
 2 subsections (a) and (b) of section 654 of the Individuals
 3 with Disabilities Education Act, and to ensure that cur-
 4 rent and prospective teachers are highly qualified, by car-
 5 rying out each of the following activities:

6 “(1) REFORMS.—Ensuring that all teacher
 7 preparation programs in the State are preparing
 8 current or prospective teachers to become highly
 9 qualified, to understand scientifically based research
 10 and its applicability, and to use technology effec-
 11 tively, including use of instructional techniques to
 12 improve student academic achievement, by assisting
 13 such programs—

14 “(A) in retraining faculty;

15 “(B) in designing (or redesigning) teacher
 16 preparation programs so that such programs—

17 “(i) are based on rigorous academic
 18 content and scientifically based research
 19 (including scientifically based reading re-
 20 search), and aligned with challenging State
 21 academic content standards;

22 “(ii) promote effective teaching skills;

23 and

24 “(iii) promote understanding of effec-
 25 tive instructional strategies for students

1 with special needs, including students with
2 disabilities, students who are limited
3 English proficient, and students who are
4 gifted and talented;

5 “(C) in ensuring collaboration with depart-
6 ments, programs, or units outside of the teach-
7 er preparation program in relevant academic
8 content areas to ensure a successful combina-
9 tion of training in both teaching and such con-
10 tent;

11 “(D) in developing high-quality, rigorous
12 clinical experiences (that include student teach-
13 ing experience) in which students participate
14 while enrolled in a teacher preparation pro-
15 gram, lasting not less than 1 term, through dis-
16 semination of best practices, technical assist-
17 ance, or other relevant activities; and

18 “(E) in collecting and using data, in col-
19 laboration with institutions of higher education,
20 schools, and local educational agencies, on
21 teacher retention rates, by school, to evaluate
22 and strengthen the effectiveness of the State’s
23 teacher support system.

1 “(2) CERTIFICATION OR LICENSURE REQUIRE-
 2 MENTS.—Reforming teacher certification or licen-
 3 sure requirements to ensure that—

4 “(A) teachers have the academic content
 5 knowledge and teaching skills in the academic
 6 subject areas that the teachers teach that are
 7 necessary to help students meet challenging
 8 State student academic achievement standards;

9 “(B) such requirements are aligned with
 10 challenging State academic content standards;

11 “(C) teacher certification and licensure as-
 12 sessments are—

13 “(i) used for purposes for which such
 14 assessments are valid and reliable;

15 “(ii) consistent with relevant, profes-
 16 sional, and technical standards; and

17 “(iii) aligned with the reporting re-
 18 quirements of sections 205 and 206; and

19 “(D) such requirements for high-need aca-
 20 demic subject areas (such as reading, mathe-
 21 matics, science, and foreign language, including
 22 less commonly taught languages) and high-need
 23 areas (such as special education, language in-
 24 struction educational programs, and early child-
 25 hood education) exist and reflect qualifications

1 to help students meet high standards, which
2 may include the development of a State test for
3 such areas.

4 “(3) EVALUATION.—

5 “(A) ANNUAL EVALUATION.—An eligible
6 State that receives a grant under this section
7 shall evaluate annually the effectiveness of
8 teacher preparation programs and professional
9 development activities within the State. To the
10 extent practicable, such evaluation shall exam-
11 ine—

12 “(i) teachers’ contributions to improv-
13 ing student academic achievement, as
14 measured by State academic assessments
15 required under section 1111(b)(3) of the
16 Elementary and Secondary Education Act
17 of 1965; and

18 “(ii) teacher mastery of the academic
19 subject matter the teachers teach.

20 “(B) PUBLIC REPORTING.—The eligible
21 State shall make the information described in
22 subparagraph (A) (except such information that
23 is individually identifiable) widely available
24 through public means, such as posting on the

1 Internet, distribution to the media, and dis-
2 tribution through public agencies.

3 “(C) BETTER MEASUREMENT OF EFFEC-
4 TIVENESS.—

5 “(i) IN GENERAL.—An eligible State
6 that receives a grant under this section
7 and does not have the capacity to measure
8 the effectiveness of teacher preparation
9 programs and professional development ac-
10 tivities within the State using available
11 statewide data, shall use a portion of funds
12 received under this section to enhance or
13 expand the integration of existing data sys-
14 tems, as described in subsection (c)(7)(B),
15 or develop an integrated statewide data
16 system, as described in subsection
17 (c)(7)(C), to better measure the effective-
18 ness of teacher preparation programs on
19 student learning and achievement, and the
20 impact of pre-service and ongoing profes-
21 sional development on teacher placement
22 and retention.

23 “(ii) TECHNICAL QUALITY; STUDENT
24 PRIVACY; FUNDS FROM OTHER SOURCES.—

1 In carrying out clause (i), the eligible State
2 shall ensure—

3 “(I) the technical quality of the
4 data system to maximize the validity,
5 reliability, and accessibility of the
6 data;

7 “(II) that student privacy is pro-
8 tected and that individually identifi-
9 able information about students, their
10 achievements, and their families re-
11 mains confidential, in accordance with
12 the Family Educational Rights and
13 Privacy Act of 1974; and

14 “(III) that funds provided under
15 this section are used to supplement
16 State efforts to enhance or expand the
17 integration of existing data systems or
18 to develop an integrated statewide
19 data system.

20 “(e) ALLOWABLE USES OF FUNDS.—An eligible
21 State that receives a grant under this section may use the
22 grant funds to reform teacher preparation requirements,
23 to coordinate with State activities under section 2113(c)
24 of the Elementary and Secondary Education Act of 1965
25 and subsections (a) and (b) of section 654 of the Individ-

1 uals with Disabilities Education Act, and to ensure that
 2 current and future teachers are highly qualified, by car-
 3 rying out any of the following activities:

4 “(1) ALTERNATIVES TO TRADITIONAL PREPA-
 5 RATION FOR TEACHING AND STATE CERTIFICATION
 6 OR LICENSURE.—Providing prospective teachers
 7 with alternative routes to State certification or licen-
 8 sure and alternative route programs to become high-
 9 ly qualified teachers through—

10 “(A) innovative approaches that reduce un-
 11 necessary barriers to State certification or licen-
 12 sure while producing highly qualified teachers;

13 “(B) a selective means for admitting indi-
 14 viduals into such programs that includes pas-
 15 sage of State approved teacher examinations in
 16 appropriate subject areas;

17 “(C) programs that help prospective teach-
 18 ers develop effective teaching skills and strate-
 19 gies through knowledge of research-based infor-
 20 mation on the learning process and learning
 21 practices;

22 “(D) programs that provide support to
 23 teachers during the teachers’ initial years in the
 24 profession; and

1 “(E) alternative routes to State certifi-
2 cation or licensure of teachers for qualified indi-
3 viduals, including mid-career professionals from
4 other occupations, paraprofessionals, former
5 military personnel, and recent college graduates
6 with records of academic distinction.

7 “(2) INNOVATIVE PROGRAMS.—Planning and
8 implementing innovative programs to enhance the
9 ability of institutions of higher education, including
10 charter colleges of education, or university and local
11 educational agency partnership schools, to prepare
12 highly qualified teachers, which programs shall—

13 “(A) permit flexibility in the manner in
14 which the institution of higher education meets
15 State requirements as long as graduates, during
16 the graduates’ initial years in the profession, in-
17 crease student academic achievement;

18 “(B) provide a description in the applica-
19 tion of long-term data gathered from teachers’
20 performance over multiple years in the class-
21 room regarding the teachers’ ability to increase
22 student academic achievement;

23 “(C) ensure high-quality preparation of
24 teachers from underrepresented groups;

1 “(D) create performance measures that
 2 can be used to document the effectiveness of in-
 3 novative methods for preparing highly qualified
 4 teachers; and

5 “(E) develop frameworks for exemplary in-
 6 duction programs informed by research and
 7 best practices.

8 “(3) TEACHER RECRUITMENT AND RETEN-
 9 TION.—Undertaking activities that develop and im-
 10 plement effective mechanisms to ensure that local
 11 educational agencies and schools are able to recruit
 12 and retain highly qualified teachers, which may in-
 13 clude the following activities:

14 “(A) PERFORMANCE BASED COMPENSA-
 15 TION.—Assisting local educational agencies in
 16 developing—

17 “(i) performance systems that reward
 18 teachers who increase student academic
 19 achievement and take on additional respon-
 20 sibilities, such as teacher mentoring and
 21 serving as master teachers; and

22 “(ii) strategies that provide differen-
 23 tial and bonus pay in high-need local edu-
 24 cational agencies to recruit and retain—

25 “(I) principals;

1 “(II) highly qualified teachers
 2 who teach in high-need academic sub-
 3 ject areas (such as reading, mathe-
 4 matics, science, and foreign language,
 5 including less commonly taught lan-
 6 guages);

7 “(III) highly qualified teachers
 8 who teach in schools identified for
 9 school improvement under section
 10 1116(b) of the Elementary and Sec-
 11 ondary Education Act of 1965;

12 “(IV) highly qualified special
 13 education teachers;

14 “(V) highly qualified teachers
 15 specializing in teaching children who
 16 are limited English proficient; and

17 “(VI) highly qualified teachers in
 18 low-income urban and rural schools or
 19 districts.

20 “(B) ADDITIONAL MECHANISMS.—Devel-
 21 oping and implementing effective mechanisms
 22 to ensure that local educational agencies and
 23 schools are able to—

24 “(i) address needs identified with re-
 25 spect to—

1 “(I) underrepresented groups;

2 “(II) high-need academic subject
3 areas (such as reading, mathematics,
4 science, and foreign language, includ-
5 ing less commonly taught languages);

6 “(III) high-need areas (such as
7 special education, language instruc-
8 tion educational programs, and early
9 childhood education);

10 “(IV) high-need communities,
11 such as rural and urban areas;

12 “(V) high-need schools, including
13 schools with high rates of teacher
14 turnover; and

15 “(VI) students with disabilities
16 and students who are limited English
17 proficient;

18 “(ii) offer teacher mentoring for new
19 teachers during such teachers’ initial years
20 of teaching; and

21 “(iii) provide access to ongoing profes-
22 sional development opportunities for teach-
23 ers and administrators.

24 “(C) TEACHER ADVANCEMENT.—Assisting
25 local educational agencies in developing teacher

1 advancement and retention initiatives that pro-
 2 mote professional growth and emphasize mul-
 3 tiple career paths (such as paths to becoming a
 4 highly qualified mentor teacher or exemplary
 5 teacher) and pay differentiation.

6 “(D) RECRUIT QUALIFIED PROFES-
 7 SIONALS.—Developing recruitment programs or
 8 assisting local educational agencies in—

9 “(i) recruiting qualified professionals
 10 from other fields, including highly qualified
 11 paraprofessionals (as defined in section
 12 2102 of the Elementary and Secondary
 13 Education Act of 1965); and

14 “(ii) providing such professionals with
 15 alternative routes to teacher certification
 16 or licensure.

17 “(E) UNDERREPRESENTED POPU-
 18 LATIONS.—Providing increased opportunities
 19 for minorities, individuals with disabilities, and
 20 other individuals underrepresented in the teach-
 21 ing profession.

22 “(F) RURAL EDUCATION RECRUITMENT
 23 AND RETENTION PROGRAMS.—Making grants to
 24 rural school districts, or a consortia of rural
 25 school districts, to implement—

1 “(i) teacher recruitment strategies,
 2 which may include tuition assistance, stu-
 3 dent loan forgiveness, housing assistance,
 4 bonus pay, and other effective approaches;

5 “(ii) teacher retention strategies, such
 6 as mentoring programs and ongoing oppor-
 7 tunities for professional growth and ad-
 8 vancement; and

9 “(iii) partnerships with institutions of
 10 higher education designed to—

11 “(I) prepare beginning teachers
 12 to teach; and

13 “(II) assist teachers (including
 14 teachers who teach multiple subjects)
 15 to become highly qualified.

16 “(4) TEACHER SCHOLARSHIPS AND SUPPORT.—
 17 Providing—

18 “(A) scholarships to help students, such as
 19 individuals who have been accepted by, or who
 20 are enrolled in, a program of undergraduate
 21 education at an institution of higher education,
 22 pay the costs of tuition, room, board, and other
 23 expenses of completing a teacher preparation
 24 program, if—

1 “(i) the Secretary establishes such re-
2 quirements as the Secretary determines
3 necessary to ensure that recipients of
4 scholarships under this section who com-
5 plete teacher preparation programs—

6 “(I) subsequently teach in an
7 early childhood education program or
8 a high-need local educational agency
9 for a period of time equivalent to the
10 period of time for which the recipient
11 received scholarship assistance, plus
12 an additional 1 year; or

13 “(II) repay the amount of the
14 scholarship if the recipient does not
15 teach as described in subclause (I);
16 and

17 “(ii) the eligible State provides an as-
18 surance that the eligible State will recruit
19 minority students to become highly quali-
20 fied teachers;

21 “(B) support services, if needed, to enable
22 scholarship recipients to complete postsecondary
23 education programs, or to move from a career
24 outside of the field of education into a teaching
25 career; and

1 “(C) follow-up services to former scholar-
 2 ship recipients during the recipients’ initial
 3 years of teaching.

4 “(5) TEACHER REMOVAL.—Developing and im-
 5 plementing effective mechanisms to ensure that local
 6 educational agencies and schools are able to expedi-
 7 tiously remove incompetent or unqualified teachers
 8 consistent with procedures to ensure due process for
 9 the teachers.

10 “(6) TEACHER EFFECTIVENESS.—Developing—

11 “(A) systems to measure the effectiveness
 12 of teacher preparation programs and profes-
 13 sional development programs; and

14 “(B) strategies to document gains in stu-
 15 dent academic achievement or increases in
 16 teacher mastery of the academic subject matter
 17 the teachers teach, as a result of such pro-
 18 grams.

19 “(7) EARLY CHILDHOOD EDUCATORS.—Devel-
 20 oping strategies to improve and expand teacher
 21 preparation programs for early childhood educators
 22 to teach in early childhood education programs.

23 “(8) PROFESSIONAL DEVELOPMENT.—Devel-
 24 oping and enhancing high-quality professional devel-

1 opment, instructional materials, and relevant train-
 2 ing materials.

3 “(9) TECHNOLOGY.—Assisting teachers to use
 4 technology effectively, including use for instructional
 5 techniques and the collection, management, and
 6 analysis of data to improve teaching, learning, and
 7 decision making for the purpose of increasing stu-
 8 dent academic achievement.

9 “(10) AREAS OF INSTRUCTIONAL SHORTAGE.—
 10 Increasing the number of—

11 “(A) teachers in the classroom providing
 12 instruction in high-need academic subject areas
 13 (such as reading, mathematics, science, and for-
 14 eign language, including less commonly taught
 15 languages) and high-need areas (such as special
 16 education, language instruction educational pro-
 17 grams, and early childhood education); and

18 “(B) special education faculty dedicated to
 19 preparing highly qualified special education
 20 teachers at institutions of higher education.

21 “(11) TECHNICAL ASSISTANCE.—Providing
 22 technical assistance to low-performing programs of
 23 teacher preparation within institutions of higher
 24 education identified under section 207(a).

1 “(12) EVALUATION SUPPORT.—Performing
2 data collection, evaluation, and reporting to meet the
3 requirements of subsection (d)(3).

4 “(13) PROFESSIONAL ADVANCEMENT.—Devel-
5 oping a professional advancement system to—

6 “(A) initiate or enhance a system in which
7 highly qualified teachers who pursue advanced
8 licensure levels are required to demonstrate in-
9 creased competencies and undertake increased
10 responsibilities for increased compensation as
11 the teachers progress through levels established
12 by the State; or

13 “(B) provide opportunities for professional
14 growth, including through—

15 “(i) a nationally recognized advance
16 credentialing system; or

17 “(ii) special certification in advanced
18 placement or international baccalaureate
19 content, teaching gifted and talented stu-
20 dents, and pedagogy.

21 “(f) SUPPLEMENT, NOT SUPPLANT.—Funds made
22 available under this section shall be used to supplement,
23 and not supplant, other Federal, State, and local funds
24 that would otherwise be expended to carry out activities
25 under this section.

1 **“SEC. 203. PARTNERSHIP GRANTS.**

2 “(a) GRANTS.—From amounts made available under
3 section 209(a)(2) for a fiscal year, the Secretary is author-
4 ized to award grants under this section, on a competitive
5 basis, to eligible partnerships to enable the eligible part-
6 nerships to carry out the activities described in subsections
7 (e) and (f).

8 “(b) DEFINITIONS.—

9 “(1) ELIGIBLE PARTNERSHIP.—

10 “(A) IN GENERAL.—In this part, the term
11 ‘eligible partnership’ means an entity that shall
12 include—

13 “(i) a partner institution;

14 “(ii) a school of arts and sciences;

15 “(iii) a high-need local educational
16 agency and a school or a consortium of
17 schools served by the agency; and

18 “(iv) at least 1 individual or entity de-
19 scribed in subparagraph (B).

20 “(B) ADDITIONAL INDIVIDUALS AND ENTI-
21 TIES.—In this part, the term ‘eligible partner-
22 ship’ means an entity that shall include at least
23 1 of the following:

24 “(i) A Governor.

25 “(ii) A State educational agency.

26 “(iii) A State board of education.

1 “(iv) A State agency for higher edu-
2 cation.

3 “(v) A school or department within
4 the partner institution focusing on edu-
5 cation, psychology, human development, or
6 a department with comparable expertise in
7 the disciplines of teaching, learning, and
8 child and adolescent development.

9 “(vi) An institution of higher edu-
10 cation or a department within such institu-
11 tion, not described in subparagraph (A).

12 “(vii) A public charter school.

13 “(viii) A public or private elementary
14 school or secondary school.

15 “(ix) A public or private nonprofit
16 educational organization.

17 “(x) A business.

18 “(xi) A science-, mathematics-, or
19 technology-oriented entity.

20 “(xii) An early childhood education
21 program.

22 “(xiii) A teacher organization.

23 “(xiv) An educational service agency.

24 “(xv) A consortium of local edu-
25 cational agencies.

1 “(xvi) A nonprofit telecommunications
2 entity.

3 “(2) PARTNER INSTITUTION.—In this section,
4 the term ‘partner institution’ means an institution of
5 higher education, which may include a 2-year insti-
6 tution of higher education offering a dual program
7 with a 4-year institution of higher education, that
8 has a teacher preparation program—

9 “(A) whose graduates exhibit strong per-
10 formance on State-determined qualifying assess-
11 ments for new teachers through—

12 “(i) demonstrating that 80 percent or
13 more of the graduates of the program who
14 intend to enter the field of teaching have
15 passed all of the applicable State qualifica-
16 tion assessments for new teachers, which
17 shall include an assessment of each pro-
18 spective teacher’s subject matter knowledge
19 in the content area in which the teacher in-
20 tends to teach; or

21 “(ii) being ranked among the highest-
22 performing teacher preparation programs
23 in the State as determined by the State—

1 “(I) using criteria consistent with
2 the requirements for the State report
3 card under section 206(b); and

4 “(II) using the State report card
5 on teacher preparation required under
6 section 206(b), after the first publica-
7 tion of such report card and for every
8 year thereafter; or

9 “(B) that requires all the students of the
10 program to meet high academic standards and
11 participate in intensive clinical experience,
12 and—

13 “(i) in the case of secondary school
14 candidates, to successfully complete—

15 “(I) a major or its equivalent in
16 coursework in the academic subject
17 area in which the candidate intends to
18 teach; or

19 “(II) a related major in the aca-
20 demic subject area in which the can-
21 didate intends to teach;

22 “(ii) in the case of elementary school
23 candidates, to successfully complete—

1 “(I) an academic major or its
2 equivalent in coursework in the arts
3 and sciences; or

4 “(II) a major in elementary edu-
5 cation with a significant amount of
6 coursework in the arts and sciences;
7 and

8 “(iii) in the case of early childhood
9 educators, to become fully competent and
10 meet degree requirements, as established
11 by the State.

12 “(c) APPLICATION.—Each eligible partnership desir-
13 ing a grant under this section shall submit an application
14 to the Secretary at such time, in such manner, and accom-
15 panied by such information as the Secretary may require.
16 Each such application shall contain—

17 “(1) a needs assessment of all the partners with
18 respect to the preparation, induction, and profes-
19 sional development of early childhood educators,
20 general and special education teachers, and prin-
21 cipals;

22 “(2) a description of the extent to which the
23 teacher preparation program of the eligible partner-
24 ship prepares new teachers with effective teaching
25 skills;

1 “(3) a description of how the eligible partner-
2 ship will coordinate with other teacher preparation
3 or professional development programs, including
4 those funded under the Elementary and Secondary
5 Education Act of 1965 and the Individuals with Dis-
6 abilities Education Act, and how the activities of the
7 eligible partnership will be consistent with State,
8 local, and other education reform activities that pro-
9 mote student achievement;

10 “(4) a resource assessment that describes the
11 resources available to the eligible partnership, the in-
12 tended use of the grant funds (including a descrip-
13 tion of how the grant funds will be fairly distrib-
14 uted), and the commitment of the resources of the
15 eligible partnership to the activities assisted under
16 this part, including financial support, faculty partici-
17 pation, time commitments, and continuation of the
18 activities when the grant period ends;

19 “(5) a description of—

20 “(A) how the eligible partnership will meet
21 the purposes of this part;

22 “(B) how the eligible partnership will carry
23 out the activities required under subsection (e)
24 and any permissible activities under subsection
25 (f);

1 “(C) the eligible partnership’s evaluation
2 plan pursuant to section 205(b);

3 “(D) how the eligible partnership will align
4 the teacher preparation program with the chal-
5 lenging student academic achievement stand-
6 ards, State early learning standards for early
7 childhood education programs (where applica-
8 ble), and challenging academic content stand-
9 ards, established by the State in which the
10 partnership is located;

11 “(E) how faculty of the teacher prepara-
12 tion program at the partner institution will
13 serve, over the period of the grant, with highly
14 qualified teachers in the classrooms of the high-
15 need local educational agency included in the el-
16 igible partnership;

17 “(F) how the eligible partnership will en-
18 sure that teachers, principals, and superintend-
19 ents in all schools (including private schools, as
20 appropriate) located in the geographic areas
21 served by an eligible partnership under this sec-
22 tion are provided information about the activi-
23 ties carried out with funds under this section,
24 including through electronic means;

1 “(G) how the eligible partnership will de-
 2 sign, implement, or enhance the clinical pro-
 3 gram component, including promoting close su-
 4 pervision of student teachers by faculty of the
 5 teacher preparation program and mentor teach-
 6 ers while in the program and during the stu-
 7 dent teachers’ initial years of teaching if hired
 8 by schools included in the eligible partnership;

9 “(H) how the eligible partnership will de-
 10 velop or enhance an induction program that in-
 11 cludes high-quality professional development to
 12 support new teachers during the teachers’ ini-
 13 tial years of teaching that includes teacher
 14 mentoring and collaborating with teachers in
 15 the same grade, department, or field; and

16 “(I) how the eligible partnership will col-
 17 lect, analyze, use, and disseminate data on the
 18 retention of all teachers in schools located in
 19 the geographic areas served by the eligible part-
 20 nership to evaluate the effectiveness of its
 21 teacher support system; and

22 “(6) an assurance that the eligible partnership
 23 will carry out each of the activities described in
 24 paragraph (5).

25 “(d) CONSULTATION.—

1 “(1) IN GENERAL.—Members of an eligible
2 partnership that receives a grant under this section
3 shall engage in regular consultation throughout the
4 development and implementation of programs and
5 activities under this section.

6 “(2) REGULAR COMMUNICATION.—To ensure
7 timely and meaningful consultation, regular commu-
8 nication shall occur among all members of the eligi-
9 ble partnership, including the high-need local edu-
10 cational agency. Such communication shall continue
11 throughout the implementation of the grant and the
12 assessment of programs and activities under this
13 section.

14 “(3) WRITTEN CONSENT.—The Secretary may
15 approve changes in grant activities only if a written
16 consent signed by all members of the eligible part-
17 nership is submitted to the Secretary.

18 “(e) REQUIRED USES OF FUNDS.—An eligible part-
19 nership that receives a grant under this section shall use
20 the grant funds to carry out each of the following activi-
21 ties:

22 “(1) REFORMS.—Ensuring that each teacher
23 preparation program and each early childhood edu-
24 cator preparation program, where applicable, of the
25 eligible partnership that is assisted under this sec-

1 tion addresses the needs identified in the needs as-
 2 sessment of the partnership and is preparing current
 3 or prospective teachers to be highly qualified, and,
 4 where applicable, early childhood educators to be
 5 fully competent, to understand scientifically based
 6 research and its applicability, and to use technology
 7 effectively, including use of instructional techniques
 8 to improve student academic achievement, and in the
 9 case of early childhood educators, techniques to im-
 10 prove children’s cognitive, social, emotional, and
 11 physical development, by assisting such programs—

12 “(A) in retraining faculty;

13 “(B) in designing (or redesigning) teacher
 14 preparation programs so that such programs—

15 “(i) are based on rigorous academic
 16 content and scientifically based research
 17 (including scientifically based reading re-
 18 search), and aligned with challenging State
 19 academic content standards and for early
 20 childhood educators, aligned with State
 21 early learning standards;

22 “(ii) promote effective teaching skills;

23 “(iii) promote understanding of effec-
 24 tive instructional strategies for students
 25 with special needs, including students with

1 disabilities, students who are limited
 2 English proficient, students who are gifted
 3 and talented, and children in early child-
 4 hood education programs; and

5 “(iv) promote high-quality mathe-
 6 matics, science, and foreign language in-
 7 struction, where applicable;

8 “(C) in ensuring collaboration with depart-
 9 ments, programs, or units outside of the teach-
 10 er preparation program in all academic content
 11 areas to ensure a successful combination of
 12 training in both teaching and such content; and

13 “(D) in developing high-quality, rigorous
 14 clinical experiences, lasting not less than 1
 15 term, through dissemination of best practices,
 16 technical assistance, or other relevant activities.

17 “(2) CLINICAL EXPERIENCE AND INTER-
 18 ACTION.—Improving sustained and high-quality
 19 preservice clinical experiences, including—

20 “(A) providing teacher mentoring; and

21 “(B) substantially increasing interaction
 22 between faculty at institutions of higher edu-
 23 cation and new and experienced teachers, prin-
 24 cipals, and other administrators at elementary
 25 schools or secondary schools, and providing sup-

1 port, including preparation time and release
 2 time, for such interaction.

3 “(3) SUPPORT PROGRAMS FOR NEW TEACH-
 4 ERS.—Creating a program to support new teachers
 5 during the initial years of teaching (for not less than
 6 1 year and not more than 3 years). Such program
 7 shall promote effective teaching skills and may in-
 8 clude the following components:

9 “(A) Development of skills in educational
 10 interventions based on scientifically based re-
 11 search.

12 “(B) Development of knowledge of scientif-
 13 ically based research on teaching and learning.

14 “(C) Inclusion of faculty who model the in-
 15 tegration of research and practice in the class-
 16 room.

17 “(D) Opportunities for—

18 “(i) high-quality teacher mentoring;
 19 and

20 “(ii) additional professional develop-
 21 ment, dissemination of evidence-based re-
 22 search on educational practices, and pro-
 23 fessional development activities.

24 “(E) Interdisciplinary collaboration among
 25 exemplary teachers, faculty, researchers, and

1 other staff who prepare new teachers on the
2 learning process and the assessment of learn-
3 ing.

4 “(f) ALLOWABLE USES OF FUNDS.—An eligible part-
5 nership that receives a grant under this section may use
6 the grant funds to carry out any of the following activities
7 that address the needs identified in the needs assessment:

8 “(1) ALTERNATIVES TO TRADITIONAL PREPA-
9 RATION FOR TEACHING AND STATE CERTIFICATION
10 OR LICENSURE.—The activity described in section
11 202(e)(1).

12 “(2) DISSEMINATION AND COORDINATION.—
13 Broadly disseminating information on effective prac-
14 tices used by the eligible partnership, and coordi-
15 nating with the activities of the Governor, State
16 board of education, State agency for higher edu-
17 cation, State agency responsible for early childhood
18 education, and State educational agency, as appro-
19 priate.

20 “(3) INNOVATIVE PROGRAMS.—Developing in-
21 novative programs designed to provide graduates of
22 programs funded under this title with opportunities
23 to continue their education through supports and op-
24 portunities to improve instructional practices in the
25 initial years of teaching, including the following:

1 “(A) INTERNSHIPS.—

2 “(i) TEACHER PREPARATION EN-
3 HANCEMENT INTERNSHIP.—Developing a
4 1-year paid internship program for stu-
5 dents who have completed a 4-year teacher
6 preparation program, or alternative routes
7 to State certification or licensure program,
8 to enable such students to develop the
9 skills and experience necessary for success
10 in teaching, including providing intensive
11 clinical training and combining in-service
12 instruction in teacher methods and assess-
13 ments with classroom observations, experi-
14 ences, and practices. Such interns shall
15 have a reduced teaching load and a mentor
16 for assistance in the classroom.

17 “(ii) MID-CAREER PROFESSIONAL IN-
18 TERNSHIPS.—Developing a 1-year paid in-
19 ternship program for mid-career profes-
20 sionals from other occupations, former
21 military personnel, and recent college grad-
22 uates from fields other than teacher prepa-
23 ration with records of academic distinction
24 to enable such individuals to develop the
25 skills and experience necessary for success

1 in teaching, including providing intensive
 2 clinical training and combining in-service
 3 instruction in teacher methods and assess-
 4 ments with classroom observations, experi-
 5 ences, and practices. Such interns shall
 6 have a reduced teaching load and a mentor
 7 for assistance in the classroom.

8 “(B) RESIDENCY PROGRAMS FOR NEW
 9 TEACHERS.—Supporting teachers in a residency
 10 program that provides an induction period for
 11 all new general education and special education
 12 teachers that includes—

13 “(i) a forum for information sharing
 14 among prospective teachers, teachers, prin-
 15 cipals, administrators, and participating
 16 faculty in the partner institution; and

17 “(ii) the application of scientifically
 18 based research on teaching and learning
 19 generated by entities such as the Institute
 20 of Education Sciences, and the National
 21 Research Council of the National Acad-
 22 emies.

23 “(C) PATHWAYS FOR PARAPROFESSIONALS
 24 TO ENTER TEACHING.—Creating intensive pro-
 25 grams to provide the coursework and clinical

1 experiences needed by highly qualified para-
2 professionals, as defined in section 2102 of the
3 Elementary and Secondary Education Act of
4 1965, to qualify for State teacher certification
5 or licensure.

6 “(4) MANAGERIAL AND LEADERSHIP SKILLS.—
7 Developing and implementing proven mechanisms to
8 provide principals and superintendents with effective
9 managerial, leadership, curricula, and instructional
10 skills that result in increased student academic
11 achievement.

12 “(5) TEACHER SCHOLARSHIPS AND SUPPORT.—
13 Providing—

14 “(A) scholarships to help students, such as
15 individuals who have been accepted by, or who
16 are enrolled in, a program of undergraduate
17 education at an institution of higher education,
18 pay the costs of tuition, room, board, and other
19 expenses of completing a teacher preparation
20 program, if—

21 “(i) the Secretary establishes such re-
22 quirements as the Secretary determines
23 necessary to ensure that recipients of
24 scholarships under this paragraph who
25 complete teacher preparation programs—

1 “(I) subsequently teach in a
 2 high-need local educational agency for
 3 a period of time equivalent to the pe-
 4 riod of time for which the recipient re-
 5 ceived the scholarship assistance, plus
 6 an additional 1 year; or

7 “(II) repay the amount of the
 8 scholarship if the recipient does not
 9 teach as described in subclause (I);
 10 and

11 “(ii) the eligible partnership provides
 12 an assurance that the eligible partnership
 13 will recruit minority students to become
 14 highly qualified teachers;

15 “(B) support services, if needed, to enable
 16 scholarship recipients to complete postsecondary
 17 education programs, or to transition from a ca-
 18 reer outside of the field of education into a
 19 teaching career; and

20 “(C) follow-up services for former scholar-
 21 ship recipients during the recipients’ initial
 22 years of teaching.

23 “(6) COORDINATION WITH COMMUNITY COL-
 24 LEGES.—

1 “(A) TEACHER PREPARATION PRO-
 2 GRAMS.—Coordinating with 2-year institutions
 3 of higher education to implement teacher prepa-
 4 ration programs, including through distance
 5 learning, for the purposes of allowing prospec-
 6 tive teachers—

7 “(i) to obtain a bachelor’s degree and
 8 State certification or licensure; and

9 “(ii) to become highly qualified teach-
 10 ers.

11 “(B) PROFESSIONAL DEVELOPMENT.—Co-
 12 ordinating with 2-year institutions of higher
 13 education to provide professional development
 14 that—

15 “(i) improves the academic content
 16 knowledge of teachers in the academic sub-
 17 ject areas in which the teachers are cer-
 18 tified or licensed to teach, or in which the
 19 teachers are working toward certification
 20 or licensure to teach; and

21 “(ii) promotes effective teaching skills.

22 “(7) CLINICAL EXPERIENCE IN SCIENCE, MATH-
 23 EMATICS, AND TECHNOLOGY.—Creating opportuni-
 24 ties for clinical experience and training for teachers
 25 and prospective teachers through participation with

1 professionals in business, research, and work envi-
2 ronments in areas relating to science, mathematics,
3 and technology, including opportunities for using
4 laboratory equipment.

5 “(8) PROFESSIONAL DEVELOPMENT.—Creating
6 opportunities for enhanced and ongoing professional
7 development for experienced general education and
8 special education teachers, early childhood edu-
9 cators, principals, administrators, and faculty.

10 “(9) TECHNOLOGY.—The activity described in
11 section 202(e)(9).

12 “(10) AREAS OF INSTRUCTIONAL SHORTAGE.—
13 Increasing the number of—

14 “(A) teachers in the classroom providing
15 instruction in high-need academic subject areas
16 (such as reading, mathematics, science, and for-
17 eign language, including less commonly taught
18 languages), and high-need areas (such as spe-
19 cial education, language instruction educational
20 programs, and early childhood education);

21 “(B) special education faculty dedicated to
22 preparing highly qualified special education
23 teachers at institutions of higher education; and

1 “(C) faculty at institutions of higher edu-
 2 cation with expertise in instruction of students
 3 who are limited English proficient.

4 “(11) IMPROVING INSTRUCTION.—Improving
 5 instruction by—

6 “(A) improving understanding and instruc-
 7 tion in core academic subjects and other, spe-
 8 cialized courses, such as geography, American
 9 history and government, and world history; and

10 “(B) creating externships for teachers and
 11 prospective teachers for field experience and
 12 training through participation in business, re-
 13 search, and work environments in high-need
 14 academic subject areas (such as reading, math-
 15 ematics, science, and foreign language, includ-
 16 ing less commonly taught languages) and high-
 17 need areas (such as special education, language
 18 instruction educational programs, and early
 19 childhood education).

20 “(12) GRADUATE PROGRAMS.—Developing, in
 21 collaboration with departments, programs, or units
 22 of both academic content and teacher education
 23 within a partner institution, master’s degree pro-
 24 grams that meet the demonstrated needs of teachers
 25 in the high-need local educational agency partici-

1 pating in the eligible partnership for content exper-
 2 tise and teaching skills.

3 “(13) LITERACY TEACHER TRAINING.—Estab-
 4 lishing and implementing a program that strength-
 5 ens content knowledge and teaching skills of sec-
 6 ondary school teachers in literacy that—

7 “(A) provides teacher training and sti-
 8 pends for literacy coaches who train classroom
 9 teachers to implement literacy programs;

10 “(B) develops or redesigns rigorous re-
 11 search-based curricula that are aligned with
 12 challenging State and local academic content
 13 standards, and with postsecondary standards
 14 for reading and writing;

15 “(C) provides training and stipends for
 16 teachers to tutor students with intense individ-
 17 ualized reading, writing, and subject matter in-
 18 struction during or beyond the school day;

19 “(D) provides opportunities for teachers to
 20 plan and assess instruction with other teachers,
 21 school leaders, and faculty at institutions of
 22 higher education; and

23 “(E) establishes an evaluation and ac-
 24 countability plan for activities conducted under

1 this paragraph to measure the impact of such
2 activities.

3 “(g) CONSTRUCTION.—Nothing in this section shall
4 be construed to prohibit an eligible partnership from using
5 grant funds to coordinate with the activities of eligible
6 partnerships in other States or on a regional basis through
7 Governors, State boards of education, State educational
8 agencies, State agencies responsible for early childhood
9 education, local educational agencies, or State agencies for
10 higher education.

11 “(h) SUPPLEMENT, NOT SUPPLANT.—Funds made
12 available under this section shall be used to supplement,
13 and not supplant, other Federal, State, and local funds
14 that would otherwise be expended to carry out activities
15 under this section.

16 **“SEC. 204. ADMINISTRATIVE PROVISIONS.**

17 “(a) DURATION; NUMBER OF AWARDS; PAY-
18 MENTS.—

19 “(1) DURATION.—

20 “(A) ELIGIBLE STATES.—Grants awarded
21 to eligible States under this part shall be
22 awarded for a period not to exceed 3 years.

23 “(B) ELIGIBLE PARTNERSHIPS.—Grants
24 awarded to eligible partnerships under this part
25 shall be awarded for a period of 5 years.

1 “(2) NUMBER OF AWARDS.—An eligible part-
2 nership may not receive more than 1 grant during
3 a 5-year period. Nothing in this title shall be con-
4 strued to prohibit an individual member, that can
5 demonstrate need, of an eligible partnership that re-
6 ceives a grant under this title from entering into an-
7 other eligible partnership consisting of new members
8 and receiving a grant with such other eligible part-
9 nership before the 5-year period described in the
10 preceding sentence applicable to the eligible partner-
11 ship with which the individual member has first
12 partnered has expired.

13 “(3) PAYMENTS.—The Secretary shall make
14 annual payments of grant funds awarded under this
15 part.

16 “(b) PEER REVIEW.—

17 “(1) PANEL.—The Secretary shall provide the
18 applications submitted under this part to a peer re-
19 view panel for evaluation. With respect to each ap-
20 plication, the peer review panel shall initially rec-
21 ommend the application for funding or for dis-
22 approval.

23 “(2) PRIORITY.—In recommending applications
24 to the Secretary for funding under this part, the
25 panel shall—

1 “(A) with respect to grants under section
2 202, give priority to eligible States—

3 “(i) that have innovative reforms to
4 hold institutions of higher education with
5 teacher preparation programs accountable
6 for preparing teachers to become highly
7 qualified and have effective teaching skills;

8 “(ii) that have innovative efforts
9 aimed at reducing the shortage of highly
10 qualified general and special education
11 teachers, including in low-income urban
12 and rural areas and in high-need academic
13 subject areas (such as reading, mathe-
14 matics, science, and foreign language, in-
15 cluding less commonly taught languages);
16 and

17 “(iii) whose awards promote an equi-
18 table geographic distribution of grants
19 among rural and urban areas; and

20 “(B) with respect to grants under section
21 203, give priority—

22 “(i) to applications from broad-based
23 eligible partnerships that involve busi-
24 nesses and community organizations; and

1 “(ii) to eligible partnerships so that
2 the awards promote an equitable geo-
3 graphic distribution of grants among rural
4 and urban areas.

5 “(3) SECRETARIAL SELECTION.—The Secretary
6 shall determine, based on the peer review process,
7 which applications shall receive funding and the
8 amounts of the grants. In determining grant
9 amounts, the Secretary shall take into account the
10 total amount of funds available for all grants under
11 this part and the types of activities proposed to be
12 carried out.

13 “(c) MATCHING REQUIREMENTS.—

14 “(1) STATE GRANTS.—Each eligible State re-
15 ceiving a grant under section 202 shall provide, from
16 non-Federal sources, an amount equal to 50 percent
17 of the amount of the grant (in cash or in kind) to
18 carry out the activities supported by the grant.

19 “(2) PARTNERSHIP GRANTS.—Each eligible
20 partnership receiving a grant under section 203
21 shall provide, from non-Federal sources (in cash or
22 in kind), an amount equal to 25 percent of the
23 amount of the grant for the first year of the grant,
24 35 percent of the amount of the grant for the second

1 year of the grant, and 50 percent of the amount of
2 the grant for each succeeding year of the grant.

3 “(d) LIMITATION ON ADMINISTRATIVE EXPENSES.—

4 An eligible State or eligible partnership that receives a
5 grant under this part may use not more than 2 percent
6 of the grant funds for purposes of administering the grant.

7 “(e) ADDITIONAL ACTIVITIES.—The Secretary shall

8 use funds repaid pursuant to section 202(e)(4)(A)(i)(II)

9 or section 203(f)(5)(A)(i)(II) to carry out additional ac-

10 tivities under section 202 or 203, respectively.

11 **“SEC. 205. ACCOUNTABILITY AND EVALUATION.**

12 “(a) STATE GRANT ACCOUNTABILITY REPORT.—An

13 eligible State that receives a grant under section 202 shall

14 submit an annual accountability report to the Secretary

15 and the authorizing committees. Such report shall include

16 a description of the degree to which the eligible State, in

17 using funds provided under such section, has made

18 progress in meeting the purposes of this part and substan-

19 tial progress in meeting the following goals, as applicable:

20 “(1) STUDENT ACADEMIC ACHIEVEMENT.—In-

21 creasing student academic achievement for all stu-

22 dents as defined by the eligible State.

23 “(2) RAISING STANDARDS.—Raising the State

24 academic standards required to enter the teaching

25 profession as a highly qualified teacher, and where

1 applicable, as a fully competent early childhood edu-
 2 cator.

3 “(3) INITIAL CERTIFICATION OR LICENSURE.—
 4 Increasing success in the pass rates and scaled
 5 scores for initial State teacher certification or licen-
 6 sure, or increasing the numbers of qualified individ-
 7 uals being certified or licensed as teachers through
 8 alternative routes to State certification or licensure
 9 programs.

10 “(4) PERCENTAGE OF HIGHLY QUALIFIED
 11 TEACHERS.—Providing data on the progress of the
 12 State towards meeting the highly qualified teacher
 13 requirements under section 1119(a)(2) of the Ele-
 14 mentary and Secondary Education Act of 1965.

15 “(5) DECREASING TEACHER SHORTAGES.—De-
 16 creasing shortages of—

17 “(A) highly qualified teachers in—

18 “(i) low-income urban and rural
 19 areas;

20 “(ii) high-need academic subject areas
 21 (such as reading, mathematics, science,
 22 and foreign language, including less com-
 23 monly taught languages);

24 “(iii) special education; and

1 “(iv) high-need areas (such as special
 2 education, language instruction educational
 3 programs, and early childhood education);
 4 and

5 “(B) fully competent early childhood edu-
 6 cators.

7 “(6) INCREASING OPPORTUNITIES FOR PROFES-
 8 SIONAL DEVELOPMENT.—Increasing opportunities
 9 for enhanced and ongoing professional development
 10 that—

11 “(A) improves the academic content knowl-
 12 edge of teachers in the academic subject areas
 13 in which the teachers are certified or licensed to
 14 teach or in which the teachers are working to-
 15 ward certification or licensure to teach; and

16 “(B) promotes effective teaching skills.

17 “(b) ELIGIBLE PARTNERSHIP EVALUATION.—Each
 18 eligible partnership submitting an application for a grant
 19 under section 203 shall establish and include in such ap-
 20 plication, an evaluation plan that includes strong perform-
 21 ance objectives. The plan shall include objectives and
 22 measures for increasing—

23 “(1) student achievement for all students as
 24 measured by the eligible partnership;

1 “(2) teacher retention in the first 3 years of a
2 teacher’s career;

3 “(3) success in the pass rates and scaled scores
4 for initial State certification or licensure of teachers;

5 “(4) the percentage of highly qualified teachers
6 hired by the high-need local educational agency par-
7 ticipating in the eligible partnership; and

8 “(5) the percentage of—

9 “(A) highly qualified teachers among
10 underrepresented groups, in high-need academic
11 subject areas (such as reading, mathematics,
12 science, and foreign language, including less
13 commonly taught languages), in high-need
14 areas (such as special education, language in-
15 struction educational programs, and early child-
16 hood education), and in high-need schools;

17 “(B) elementary school, middle school, and
18 secondary school classes taught by teachers who
19 are highly qualified;

20 “(C) early childhood education program
21 classes taught by providers who are fully com-
22 petent; and

23 “(D) highly qualified special education
24 teachers.

25 “(c) REVOCATION OF GRANT.—

1 “(1) ELIGIBLE STATES.—If the Secretary de-
2 termines that an eligible State is not making sub-
3 stantial progress in meeting the purposes, goals, ob-
4 jectives, and measures, as appropriate, by the end of
5 the second year of a grant under this part, then the
6 grant payment shall not be made for the third year
7 of the grant.

8 “(2) ELIGIBLE PARTNERSHIPS.—If the Sec-
9 retary determines that an eligible partnership is not
10 making substantial progress in meeting the pur-
11 poses, goals, objectives, and measures, as appro-
12 priate, by the end of the third year of a grant under
13 this part, then the grant payments shall not be made
14 for any succeeding year of the grant.

15 “(d) EVALUATION AND DISSEMINATION.—The Sec-
16 retary shall evaluate the activities funded under this part
17 and report the Secretary’s findings regarding the activities
18 to the authorizing committees. The Secretary shall broadly
19 disseminate—

20 “(1) successful practices developed by eligible
21 States and eligible partnerships under this part; and

22 “(2) information regarding such practices that
23 were found to be ineffective.

1 **“SEC. 206. ACCOUNTABILITY FOR PROGRAMS THAT PRE-**
 2 **PARE TEACHERS.**

3 “(a) INSTITUTIONAL AND PROGRAM REPORT CARDS
 4 ON THE QUALITY OF TEACHER PREPARATION.—

5 “(1) REPORT CARD.—Each institution of higher
 6 education that conducts a traditional teacher prepa-
 7 ration program or an alternative routes to State cer-
 8 tification or licensure program and that enrolls stu-
 9 dents receiving Federal assistance under this Act
 10 shall report annually to the State and the general
 11 public, in a uniform and comprehensible manner
 12 that conforms with the definitions and methods es-
 13 tablished by the Secretary, both for traditional
 14 teacher preparation programs and alternative routes
 15 to State certification or licensure programs, the fol-
 16 lowing information:

17 “(A) PASS RATES AND SCALED SCORES.—

18 For the most recent year for which the informa-
 19 tion is available for those students who are en-
 20 rolled in the traditional teacher preparation
 21 program or alternative routes to State certifi-
 22 cation or licensure program, or who have com-
 23 pleted the traditional teacher preparation pro-
 24 gram or alternative routes to State certification
 25 or licensure program during the 2-year period
 26 preceding such year, for each of the assess-

ments used for teacher certification or licensure
by the State in which the program is located—

“(i) the percentage of students who
have completed 100 percent of the nonclin-
ical coursework and taken the assessment
who pass such assessment;

“(ii) the percentage of all students
who passed each such assessment;

“(iii) the percentage of students tak-
ing an assessment who completed the
teacher preparation program after enroll-
ing in the program, which shall be made
available widely and publicly by the State;

“(iv) the average scaled score for all
students who passed each such assessment;

“(v) a comparison of the program’s
pass rates with the average pass rates for
programs in the State; and

“(vi) a comparison of the program’s
average scaled scores with the average
scaled scores for programs in the State.

“(B) PROGRAM INFORMATION.—The cri-
teria for admission into the program, the num-
ber of students in the program (disaggregated
by race and gender), the average number of

1 hours of supervised clinical experience required
2 for those in the program, the number of full-
3 time equivalent faculty and students in the su-
4 pervised clinical experience, and the total num-
5 ber of students who have been certified or li-
6 censed as teachers, disaggregated by subject
7 and area of certification or licensure.

8 “(C) STATEMENT.—In States that require
9 approval or accreditation of teacher preparation
10 programs, a statement of whether the institu-
11 tion’s program is so approved or accredited,
12 and by whom.

13 “(D) DESIGNATION AS LOW-PER-
14 FORMING.—Whether the program has been des-
15 ignated as low-performing by the State under
16 section 207(a).

17 “(E) USE OF TECHNOLOGY.—A descrip-
18 tion of the activities that prepare teachers to ef-
19 fectively integrate technology into curricula and
20 instruction and effectively use technology to col-
21 lect, manage, and analyze data in order to im-
22 prove teaching, learning, and decision making
23 for the purpose of increasing student academic
24 achievement.

1 “(2) REPORT.—Each eligible partnership re-
 2 ceiving a grant under section 203 shall report annu-
 3 ally on the progress of the eligible partnership to-
 4 ward meeting the purposes of this part and the ob-
 5 jectives and measures described in section 205(b).

6 “(3) FINES.—The Secretary may impose a fine
 7 not to exceed \$25,000 on an institution of higher
 8 education for failure to provide the information de-
 9 scribed in this subsection in a timely or accurate
 10 manner.

11 “(4) SPECIAL RULE.—In the case of an institu-
 12 tion of higher education that conducts a traditional
 13 teacher preparation program or an alternative routes
 14 to State certification or licensure program and has
 15 fewer than 10 scores reported on any single initial
 16 teacher certification or licensure assessment during
 17 an academic year, the institution shall collect and
 18 publish information, as required under paragraph
 19 (1)(A), with respect to an average pass rate and
 20 scaled score on each State certification or licensure
 21 assessment taken over a 3-year period.

22 “(b) STATE REPORT CARD ON THE QUALITY OF
 23 TEACHER PREPARATION.—

24 “(1) IN GENERAL.—Each State that receives
 25 funds under this Act shall provide to the Secretary,

1 annually, in a uniform and comprehensible manner
2 that conforms with the definitions and methods es-
3 tablished by the Secretary, a State report card on
4 the quality of teacher preparation in the State, both
5 for traditional teacher preparation programs and for
6 alternative routes to State certification or licensure
7 programs, which shall include not less than the fol-
8 lowing:

9 “(A) A description of reliability and valid-
10 ity of the teacher certification and licensure as-
11 sessments, and any other certification and licen-
12 sure requirements, used by the State.

13 “(B) The standards and criteria that pro-
14 spective teachers must meet in order to attain
15 initial teacher certification or licensure and to
16 be certified or licensed to teach particular aca-
17 demic subject areas or in particular grades
18 within the State.

19 “(C) A description of how the assessments
20 and requirements described in subparagraph
21 (A) are aligned with the State’s challenging
22 academic content standards required under sec-
23 tion 1111(b)(1) of the Elementary and Sec-
24 ondary Education Act of 1965 and State early

1 learning standards for early childhood education
2 programs.

3 “(D) For each of the assessments used by
4 the State for teacher certification or licensure—

5 “(i) for each institution of higher edu-
6 cation located in the State and each entity
7 located in the State that offers an alter-
8 native route for teacher certification or li-
9 censure, the percentage of students at such
10 institution or entity who have completed
11 100 percent of the nonclinical coursework
12 and taken the assessment who pass such
13 assessment;

14 “(ii) the percentage of all such stu-
15 dents at all such institutions taking the as-
16 sessment who pass such assessment; and

17 “(iii) the percentage of students tak-
18 ing an assessment who completed the
19 teacher preparation program after enroll-
20 ing in the program, which shall be made
21 available widely and publicly by the State.

22 “(E) A description of alternative routes to
23 State certification or licensure in the State, if
24 any, including, for each of the assessments used

1 by the State for teacher certification or licen-
2 sure—

3 “(i) the percentage of individuals par-
4 ticipating in such routes, or who have com-
5 pleted such routes during the 2-year period
6 preceding the date of the determination,
7 who passed each such assessment; and

8 “(ii) the average scaled score of indi-
9 viduals participating in such routes, or who
10 have completed such routes during the pe-
11 riod preceding the date of the determina-
12 tion, who passed each such assessment.

13 “(F) A description of the State’s criteria
14 for assessing the performance of teacher prepa-
15 ration programs within institutions of higher
16 education in the State. Such criteria shall in-
17 clude indicators of the academic content knowl-
18 edge and teaching skills of students enrolled in
19 such programs.

20 “(G) For each teacher preparation pro-
21 gram in the State, the criteria for admission
22 into the program, the number of students in the
23 program (disaggregated by race and gender),
24 the average number of hours of supervised clin-
25 ical experience required for those in the pro-

1 gram, and the number of full-time equivalent
 2 faculty, adjunct faculty, and students in super-
 3 vised clinical experience.

4 “(H) For the State as a whole, and for
 5 each teacher preparation program in the State,
 6 the number of teachers prepared, in the aggre-
 7 gate and reported separately by—

8 “(i) area of certification or licensure;

9 “(ii) academic major; and

10 “(iii) subject area for which the teach-
 11 er has been prepared to teach.

12 “(I) Using the data generated under sub-
 13 paragraphs (G) and (H), a description of the
 14 extent to which teacher preparation programs
 15 are helping to address shortages of highly quali-
 16 fied teachers, by area of certification or licen-
 17 sure, subject, and specialty, in the State’s pub-
 18 lic schools, including those areas described in
 19 section 205(a)(5).

20 “(J) A description of the activities that
 21 prepare teachers to effectively integrate tech-
 22 nology into curricula and instruction and effec-
 23 tively use technology to collect, manage, and
 24 analyze data in order to improve teaching,

1 learning, and decision making for the purpose
2 of increasing student academic achievement.

3 “(2) PROHIBITION AGAINST CREATING A NA-
4 TIONAL LIST.—The Secretary shall not create a na-
5 tional list or ranking of States or schools using the
6 scaled scores provided under this subsection.

7 “(c) REPORT OF THE SECRETARY ON THE QUALITY
8 OF TEACHER PREPARATION.—

9 “(1) REPORT CARD.—The Secretary shall pro-
10 vide to Congress, and publish and make widely avail-
11 able, a report card on teacher qualifications and
12 preparation in the United States, including all the
13 information reported in subparagraphs (A) through
14 (J) of subsection (b)(1). Such report shall identify
15 States for which eligible States and eligible partner-
16 ships received a grant under this part. Such report
17 shall be so provided, published, and made available
18 annually.

19 “(2) REPORT TO CONGRESS.—The Secretary
20 shall prepare and submit a report to Congress that
21 contains the following:

22 “(A) A comparison of States efforts to im-
23 prove the quality of the current and future
24 teaching force.

1 “(B) A comparison of eligible partnerships’
 2 efforts to improve the quality of the current
 3 and future teaching force.

4 “(C) The national mean and median scaled
 5 scores and pass rate on any standardized test
 6 that is used in more than 1 State for teacher
 7 certification or licensure.

8 “(3) SPECIAL RULE.—In the case of a teacher
 9 preparation program with fewer than 10 scores re-
 10 ported on any single initial teacher certification or li-
 11 censure assessment during an academic year, the
 12 Secretary shall collect and publish information, and
 13 make publicly available, with respect to an average
 14 pass rate and scaled score on each State certification
 15 or licensure assessment taken over a 3-year period.

16 “(d) COORDINATION.—The Secretary, to the extent
 17 practicable, shall coordinate the information collected and
 18 published under this part among States for individuals
 19 who took State teacher certification or licensure assess-
 20 ments in a State other than the State in which the indi-
 21 vidual received the individual’s most recent degree.

22 **“SEC. 207. STATE FUNCTIONS.**

23 “(a) STATE ASSESSMENT.—In order to receive funds
 24 under this Act, a State shall have in place a procedure
 25 to identify and assist, through the provision of technical

1 assistance, low-performing programs of teacher prepara-
2 tion. Such State shall provide the Secretary an annual list
3 of such low-performing teacher preparation programs that
4 includes an identification of those programs at risk of
5 being placed on such list. Such levels of performance shall
6 be determined solely by the State and may include criteria
7 based on information collected pursuant to this part. Such
8 assessment shall be described in the report under section
9 206(b).

10 “(b) TERMINATION OF ELIGIBILITY.—Any program
11 of teacher preparation from which the State has with-
12 drawn the State’s approval, or terminated the State’s fi-
13 nancial support, due to the low performance of the pro-
14 gram based upon the State assessment described in sub-
15 section (a)—

16 “(1) shall be ineligible for any funding for pro-
17 fessional development activities awarded by the De-
18 partment;

19 “(2) shall not be permitted to accept or enroll
20 any student that receives aid under title IV in the
21 institution’s teacher preparation program; and

22 “(3) shall provide transitional support, includ-
23 ing remedial services if necessary, for students en-
24 rolled at the institution at the time of termination
25 of financial support or withdrawal of approval.

1 “(c) NEGOTIATED RULEMAKING.—If the Secretary
2 develops any regulations implementing subsection (b)(2),
3 the Secretary shall submit such proposed regulations to
4 a negotiated rulemaking process, which shall include rep-
5 resentatives of States, institutions of higher education,
6 and educational and student organizations.

7 “(d) APPLICATION OF THE REQUIREMENTS.—The
8 requirements of this section shall apply to both traditional
9 teacher preparation programs and alternative routes to
10 State certification and licensure programs.

11 **“SEC. 208. GENERAL PROVISIONS.**

12 “(a) METHODS.—In complying with sections 206 and
13 207, the Secretary shall ensure that States and institu-
14 tions of higher education use fair and equitable methods
15 in reporting and that the reporting methods do not allow
16 identification of individuals.

17 “(b) SPECIAL RULE.—For each State that does not
18 use content assessments as a means of ensuring that all
19 teachers teaching in core academic subjects within the
20 State are highly qualified not later than the end of the
21 2005-2006 school year, as required under section 1119 of
22 the Elementary and Secondary Education Act of 1965,
23 and that each person employed as a special education
24 teacher in the State who teaches elementary school, middle
25 school, or secondary school is highly qualified by such

1 deadline, as required under section 612(a)(14)(C) of the
2 Individuals with Disabilities Education Act,—

3 “(1) the Secretary shall, to the extent prac-
4 ticable, collect data comparable to the data required
5 under this part from States, local educational agen-
6 cies, institutions of higher education, or other enti-
7 ties that administer such assessments to teachers or
8 prospective teachers; and

9 “(2) notwithstanding any other provision of this
10 part, the Secretary shall use such data to carry out
11 requirements of this part related to assessments,
12 pass rates, and scaled scores.

13 “(c) LIMITATIONS.—

14 “(1) FEDERAL CONTROL PROHIBITED.—Noth-
15 ing in this title shall be construed to permit, allow,
16 encourage, or authorize any Federal control over any
17 aspect of any private, religious, or home school,
18 whether or not a home school is treated as a private
19 school or home school under State law. This section
20 shall not be construed to prohibit private, religious,
21 or home schools from participation in programs or
22 services under this title.

23 “(2) NO CHANGE IN STATE CONTROL ENCOUR-
24 AGED OR REQUIRED.—Nothing in this title shall be
25 construed to encourage or require any change in a

1 State’s treatment of any private, religious, or home
 2 school, whether or not a home school is treated as
 3 a private school or home school under State law.

4 “(3) NATIONAL SYSTEM OF TEACHER CERTIFI-
 5 CATION OR LICENSURE PROHIBITED.—Nothing in
 6 this title shall be construed to permit, allow, encour-
 7 age, or authorize the Secretary to establish or sup-
 8 port any national system of teacher certification or
 9 licensure.

10 “(d) RELEASE OF INFORMATION TO TEACHER PREP-
 11 ARATION PROGRAMS.—

12 “(1) IN GENERAL.—For the purpose of improv-
 13 ing teacher preparation programs, a State edu-
 14 cational agency shall provide to a teacher prepara-
 15 tion program, upon the request of the teacher prepa-
 16 ration program, any and all pertinent education-re-
 17 lated information that—

18 “(A) may enable the teacher preparation
 19 program to evaluate the effectiveness of the
 20 program’s graduates or the program itself; and

21 “(B) is possessed, controlled, or accessible
 22 by the State educational agency.

23 “(2) CONTENT OF INFORMATION.—The infor-
 24 mation described in paragraph (1)—

1 “(A) shall include an identification of spe-
 2 cific individuals who graduated from the teach-
 3 er preparation program to enable the teacher
 4 preparation program to evaluate the informa-
 5 tion provided to the program from the State
 6 educational agency with the program’s own
 7 data about the specific courses taken by, and
 8 field experiences of, the individual graduates;
 9 and

10 “(B) may include—

11 “(i) kindergarten through grade 12
 12 academic achievement and demographic
 13 data, without individual identifying infor-
 14 mation, for students who have been taught
 15 by graduates of the teacher preparation
 16 program; and

17 “(ii) teacher effectiveness evaluations
 18 for teachers who graduated from the teach-
 19 er preparation program.

20 **“SEC. 209. AUTHORIZATION OF APPROPRIATIONS.**

21 “(a) IN GENERAL.—There are authorized to be ap-
 22 propriated to carry out this part such sums as may be
 23 necessary for fiscal year 2006 and each of the 5 suc-
 24 ceeding fiscal years, of which—

1 “(1) 50 percent shall be available for each fiscal
2 year to award grants under section 202; and

3 “(2) 50 percent shall be available for each fiscal
4 year to award grants under section 203.

5 “(b) SPECIAL RULE.—If the Secretary determines
6 that there is an insufficient number of meritorious appli-
7 cations for grants under section 202 or 203 to justify
8 awarding the full amount described in paragraph (1) or
9 (2) of subsection (a), respectively, the Secretary may, after
10 funding the meritorious applications, use the remaining
11 funds for grants under the other such section.”.

12 **TITLE III—INSTITUTIONAL AID**

13 **SEC. 301. PROGRAM PURPOSE.**

14 Section 311 (20 U.S.C. 1057) is amended—

15 (1) in subsection (b)—

16 (A) in paragraph (1), by striking “351”
17 and inserting “391”; and

18 (B) in paragraph (3)(F), by inserting “,
19 including services that will assist in the edu-
20 cation of special populations” before the period;
21 and

22 (2) in subsection (c)—

23 (A) in paragraph (6), by inserting “, in-
24 cluding innovative, customized, remedial edu-
25 cation and English language instruction courses

1 designed to help retain students and move the
 2 students rapidly into core courses and through
 3 program completion” before the period;

4 (B) by redesignating paragraphs (7)
 5 through (12) as paragraphs (8) through (13),
 6 respectively;

7 (C) by inserting after paragraph (6) the
 8 following:

9 “(7) Education or counseling services designed
 10 to improve the financial literacy and economic lit-
 11 eracy of students or the students’ parents.”; and

12 (D) in the matter preceding subparagraph
 13 (A) of paragraph (13) (as redesignated by sub-
 14 paragraph (B)), by striking “subsection (c)”
 15 and inserting “subsection (b) and section 391”.

16 **SEC. 302. DEFINITIONS; ELIGIBILITY.**

17 Section 312 (20 U.S.C. 1058) is amended—

18 (1) in subsection (b)(1)(A), by striking “sub-
 19 section (c) of this section” and inserting “subsection
 20 (d)”; and

21 (2) in subsection (d)(2), by striking “subdivi-
 22 sion” and inserting “paragraph”.

23 **SEC. 303. AMERICAN INDIAN TRIBALLY CONTROLLED COL-**
 24 **LEGES AND UNIVERSITIES.**

25 Section 316 (20 U.S.C. 1059c) is amended—

1 (1) by striking subsection (b)(3) and inserting
2 the following:

3 “(3) TRIBAL COLLEGE OR UNIVERSITY.—The
4 term ‘Tribal College or University’ means an institu-
5 tion that meets the definition of a tribally controlled
6 college or university in section 2 of the Tribally Con-
7 trolled College or University Assistance Act of 1978
8 (25 U.S.C. 1801).”;

9 (2) in subsection (c)(2)—

10 (A) in subparagraph (B), by inserting be-
11 fore the semicolon at the end the following:
12 “and the acquisition of real property adjacent
13 to the campus of the institution”;

14 (B) by redesignating subparagraphs (G),
15 (H), (I), (J), (K), and (L) as subparagraphs
16 (H), (I), (J), (K), (L), and (N), respectively;

17 (C) by inserting after subparagraph (F)
18 the following:

19 “(G) education or counseling services de-
20 signed to improve the financial literacy and eco-
21 nomic literacy of students or parents of stu-
22 dents;”;

23 (D) in subparagraph (L) (as redesignated
24 by subparagraph (B)), by striking “and” after
25 the semicolon;

1 (E) by inserting after subparagraph (L)
 2 (as redesignated by subparagraph (B)) the fol-
 3 lowing:

4 “(M) developing or improving facilities for
 5 Internet use or other distance learning aca-
 6 demic instruction capabilities; and”; and

7 (F) in subparagraph (N) (as redesignated
 8 by subparagraph (B)), by striking “subpara-
 9 graphs (A) through (K)” and inserting “sub-
 10 paragraphs (A) through (M)”; and

11 (3) by striking subsection (d) and inserting the
 12 following:

13 “(d) APPLICATION, PLAN, AND ALLOCATION.—

14 “(1) INSTITUTIONAL ELIGIBILITY.—To be eligi-
 15 ble to receive assistance under this section, a Tribal
 16 College or University shall be an eligible institution
 17 under section 312(b).

18 “(2) APPLICATION.—

19 “(A) IN GENERAL.—A Tribal College or
 20 University desiring to receive assistance under
 21 this section shall submit an application to the
 22 Secretary at such time, and in such manner, as
 23 the Secretary may reasonably require.

24 “(B) STREAMLINED PROCESS.—The Sec-
 25 retary shall establish application requirements

1 in such a manner as to simplify and streamline
 2 the process for applying for grants.

3 “(3) ALLOCATIONS TO INSTITUTIONS.—

4 “(A) CONSTRUCTION GRANTS.—

5 “(i) IN GENERAL.—Of the amount ap-
 6 propriated to carry out this section for any
 7 fiscal year, the Secretary may reserve 30
 8 percent for the purpose of awarding 1-year
 9 grants of not less than \$1,000,000 to ad-
 10 dress maintenance and renovation needs at
 11 eligible institutions.

12 “(ii) PREFERENCE.—In providing
 13 grants under clause (i), the Secretary shall
 14 give preference to eligible institutions that
 15 have not yet received an award under this
 16 section.

17 “(B) ALLOTMENT OF REMAINING
 18 FUNDS.—

19 “(i) IN GENERAL.—Except as pro-
 20 vided in clause (ii), the Secretary shall dis-
 21 tribute the remaining funds appropriated
 22 for any fiscal year to each eligible institu-
 23 tion as follows:

24 “(I) 60 percent of the remaining
 25 appropriated funds shall be distrib-

1 uted among the eligible Tribal Col-
 2 leges and Universities on a pro rata
 3 basis, based on the respective Indian
 4 student counts (as defined in section
 5 2(a) of the Tribally Controlled College
 6 or University Assistance Act of 1978
 7 (25 U.S.C. 1801(a)) of the Tribal
 8 Colleges and Universities; and

9 “(II) the remaining 40 percent
 10 shall be distributed in equal shares to
 11 eligible Tribal Colleges and Univer-
 12 sities.

13 “(ii) MINIMUM GRANT.—The amount
 14 distributed to a Tribal College or Univer-
 15 sity under clause (i) shall not be less than
 16 \$500,000.

17 “(4) SPECIAL RULES.—

18 “(A) CONCURRENT FUNDING.—For the
 19 purposes of this part, no Tribal College or Uni-
 20 versity that is eligible for and receives funds
 21 under this section shall concurrently receive
 22 funds under other provisions of this part or
 23 part B.

1 “(B) EXEMPTION.—Section 313(d) shall
 2 not apply to institutions that are eligible to re-
 3 ceive funds under this section.”.

4 **SEC. 304. ALASKA NATIVE AND NATIVE HAWAIIAN-SERVING**
 5 **INSTITUTIONS.**

6 Section 317(c)(2) (20 U.S.C. 1059d(c)(2)) is amend-
 7 ed—

8 (1) in subparagraph (G), by striking “and”
 9 after the semicolon;

10 (2) in subparagraph (H), by striking the period
 11 and inserting “; and”; and

12 (3) by adding at the end the following:

13 “(I) education or counseling services de-
 14 signed to improve the financial literacy and eco-
 15 nomic literacy of students or the students’ par-
 16 ents.”.

17 **SEC. 305. NATIVE AMERICAN-SERVING, NONTRIBAL INSTI-**
 18 **TUTIONS.**

19 (a) GRANT PROGRAM AUTHORIZED.—Part A of title
 20 III (20 U.S.C. 1057 et seq.) is amended by adding at the
 21 end the following:

22 **“SEC. 318. NATIVE AMERICAN-SERVING, NONTRIBAL INSTI-**
 23 **TUTIONS.**

24 “(a) PROGRAM AUTHORIZED.—The Secretary shall
 25 provide grants and related assistance to Native American-

1 serving, nontribal institutions to enable such institutions
 2 to improve and expand their capacity to serve Native
 3 Americans.

4 “(b) DEFINITIONS.—In this section:

5 “(1) NATIVE AMERICAN.—The term ‘Native
 6 American’ means an individual who is of a tribe,
 7 people, or culture that is indigenous to the United
 8 States.

9 “(2) NATIVE AMERICAN-SERVING, NONTRIBAL
 10 INSTITUTION.—The term ‘Native American-serving,
 11 nontribal institution’ means an institution of higher
 12 education that, at the time of application—

13 “(A) has an enrollment of undergraduate
 14 students that is not less than 10 percent Native
 15 American students; and

16 “(B) is not a Tribal College or University
 17 (as defined in section 316).

18 “(c) AUTHORIZED ACTIVITIES.—

19 “(1) TYPES OF ACTIVITIES AUTHORIZED.—
 20 Grants awarded under this section shall be used by
 21 Native American-serving, nontribal institutions to
 22 assist such institutions to plan, develop, undertake,
 23 and carry out activities to improve and expand such
 24 institutions’ capacity to serve Native Americans.

1 “(2) EXAMPLES OF AUTHORIZED ACTIVITIES.—

2 Such programs may include—

3 “(A) the purchase, rental, or lease of sci-
4 entific or laboratory equipment for educational
5 purposes, including instructional and research
6 purposes;

7 “(B) renovation and improvement in class-
8 room, library, laboratory, and other instruc-
9 tional facilities;

10 “(C) support of faculty exchanges, and fac-
11 ulty development and faculty fellowships to as-
12 sist faculty in attaining advanced degrees in the
13 faculty’s field of instruction;

14 “(D) curriculum development and aca-
15 demic instruction;

16 “(E) the purchase of library books, peri-
17 odicals, microfilm, and other educational mate-
18 rials;

19 “(F) funds and administrative manage-
20 ment, and acquisition of equipment for use in
21 strengthening funds management;

22 “(G) the joint use of facilities such as lab-
23 oratories and libraries; and

24 “(H) academic tutoring and counseling
25 programs and student support services.

1 “(d) APPLICATION PROCESS.—

2 “(1) INSTITUTIONAL ELIGIBILITY.—A Native
3 American-serving, nontribal institution desiring to
4 receive assistance under this section shall submit to
5 the Secretary such enrollment data as may be nec-
6 essary to demonstrate that the institution is a Na-
7 tive American-serving, nontribal institution, along
8 with such other information and data as the Sec-
9 retary may by regulation require.

10 “(2) APPLICATIONS.—

11 “(A) PERMISSION TO SUBMIT APPLICA-
12 TIONS.—Any institution that is determined by
13 the Secretary to be a Native American-serving,
14 nontribal institution may submit an application
15 for assistance under this section to the Sec-
16 retary.

17 “(B) SIMPLIFIED AND STREAMLINED FOR-
18 MAT.—The Secretary shall, to the extent pos-
19 sible, prescribe a simplified and streamlined for-
20 mat for applications under this section that
21 takes into account the limited number of insti-
22 tutions that are eligible for assistance under
23 this section.

24 “(C) CONTENT.—An application submitted
25 under subparagraph (A) shall include—

1 “(i) a 5-year plan for improving the
 2 assistance provided by the Native Amer-
 3 ican-serving, nontribal institution to Native
 4 Americans; and

5 “(ii) such other information and as-
 6 surances as the Secretary may require.

7 “(3) SPECIAL RULES.—

8 “(A) ELIGIBILITY.—No Native American-
 9 serving, nontribal institution that receives funds
 10 under this section shall concurrently receive
 11 funds under other provisions of this part or
 12 part B.

13 “(B) EXEMPTION.—Section 313(d) shall
 14 not apply to institutions that are eligible to re-
 15 ceive funds under this section.

16 “(C) DISTRIBUTION.—In awarding grants
 17 under this section, the Secretary shall, to the
 18 extent possible and consistent with the competi-
 19 tive process under which such grants are
 20 awarded, ensure maximum and equitable dis-
 21 tribution among all eligible institutions.”.

22 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
 23 399 (20 U.S.C. 1068h) is amended by adding at the end
 24 the following:

1 “(c) MINIMUM GRANT AMOUNT.—The minimum
2 amount of a grant under this title shall be \$200,000.”.

3 **SEC. 306. PART B DEFINITIONS.**

4 Section 322(4) (20 U.S.C. 1061(4)) is amended by
5 inserting “, in consultation with the Commissioner for
6 Education Statistics” before “and the Commissioner”.

7 **SEC. 307. GRANTS TO INSTITUTIONS.**

8 Section 323(a) (20 U.S.C. 1062(a)) is amended—

9 (1) in the matter preceding paragraph (1), by
10 striking “360(a)(2)” and inserting “399(a)(2)”;

11 (2) by redesignating paragraphs (7) through
12 (12) as paragraphs (8) through (13), respectively;
13 and

14 (3) by inserting after paragraph (6) the fol-
15 lowing:

16 “(7) Education or counseling services designed
17 to improve the financial literacy and economic lit-
18 eracy of students or the students’ parents.”.

19 **SEC. 308. ALLOTMENTS TO INSTITUTIONS.**

20 Section 324 (20 U.S.C. 1063) is amended by adding
21 at the end the following:

22 “(h) SPECIAL RULE ON ELIGIBILITY.—Notwith-
23 standing any other provision of this section, a part B insti-
24 tution shall not receive an allotment under this section un-

1 less the part B institution provides data indicating that
 2 the part B institution—

3 “(1) enrolled Federal Pell Grant recipients in
 4 the preceding academic year;

5 “(2) in the preceding academic year, has grad-
 6 uated students from a program of academic study
 7 that is licensed or accredited by a nationally recog-
 8 nized accrediting agency or association recognized by
 9 the Secretary pursuant to part H of title IV where
 10 appropriate; and

11 “(3) where appropriate, has graduated students
 12 who, within the past 5 years, enrolled in graduate or
 13 professional school.”.

14 **SEC. 309. PROFESSIONAL OR GRADUATE INSTITUTIONS.**

15 Section 326 (20 U.S.C. 1063b) is amended—

16 (1) in subsection (c)—

17 (A) in paragraph (2), by inserting “, and
 18 for the acquisition and development of real
 19 property that is adjacent to the campus for
 20 such construction, maintenance, renovation, or
 21 improvement” after “services”;

22 (B) by redesignating paragraphs (5)
 23 through (7) as paragraphs (7) through (9), re-
 24 spectively;

1 (C) by inserting after paragraph (4) the
 2 following:

3 “(5) tutoring, counseling, and student service
 4 programs designed to improve academic success;

5 “(6) education or counseling services designed
 6 to improve the financial literacy and economic lit-
 7 eracy of students or the students’ parents;”;

8 (D) in paragraph (7) (as redesignated by
 9 subparagraph (B)), by striking “establish or
 10 improve” and inserting “establishing or improv-
 11 ing”;

12 (E) in paragraph (8) (as redesignated by
 13 subparagraph (B))—

14 (i) by striking “assist” and inserting
 15 “assisting”; and

16 (ii) by striking “and” after the semi-
 17 colon;

18 (F) in paragraph (9) (as redesignated by
 19 subparagraph (B)), by striking the period and
 20 inserting “; and”; and

21 (G) by adding at the end the following:

22 “(10) other activities proposed in the applica-
 23 tion submitted under subsection (d) that—

24 “(A) contribute to carrying out the pur-
 25 poses of this part; and

1 “(B) are approved by the Secretary as part
2 of the review and acceptance of such applica-
3 tion.”;

4 (2) in subsection (e)—

5 (A) in paragraph (1)—

6 (i) by inserting a colon after “the fol-
7 lowing”;

8 (ii) in subparagraph (Q), by striking
9 “and” at the end;

10 (iii) in subparagraph (R), by striking
11 the period and inserting a semicolon; and

12 (iv) by adding at the end the fol-
13 lowing:

14 “(S) Alabama State University qualified
15 graduate program;

16 “(T) Coppin State University qualified
17 graduate program; and

18 “(U) Prairie View A & M University quali-
19 fied graduate program.”;

20 (B) in paragraph (2), by inserting “in law
21 or” after “instruction”;

22 (C) in paragraph (3), by striking “1998”
23 and inserting “2006”;

24 (3) in subsection (f)(3)—

1 (A) by striking subparagraphs (A) and (B)
 2 and inserting the following:

3 “(A) The amount of non-Federal funds for
 4 the fiscal year for which the determination is
 5 made that the institution or program listed in
 6 subsection (e)—

7 “(i) allocates from institutional re-
 8 sources;

9 “(ii) secures from non-Federal
 10 sources, including amounts appropriated
 11 by the State and amounts from the private
 12 sector; and

13 “(iii) will utilize to match Federal
 14 funds awarded for the fiscal year for which
 15 the determination is made under this sec-
 16 tion to the institution or program.

17 “(B) The number of students enrolled in
 18 the qualified graduate programs of the eligible
 19 institution or program, for which the institution
 20 or program received and allocated funding
 21 under this section in the preceding year.”;

22 (B) in subparagraph (C), by striking “(or
 23 the equivalent) enrolled in the eligible profes-
 24 sional or graduate school” and all that follows
 25 through the period and inserting “enrolled in

the qualified programs or institutions listed in paragraph (1).”;

(C) in subparagraph (D)—

(i) by striking “students” and inserting “Black American students or minority students”; and

(ii) by striking “institution” and inserting “institution or program”; and

(D) by striking subparagraph (E) and inserting the following:

“(E) The percentage that the total number of Black American students and minority students who receive their first professional, master’s, or doctoral degrees from the institution or program in the academic year preceding the academic year for which the determination is made, represents of the total number of Black American students and minority students in the United States who receive their first professional, master’s, or doctoral degrees in the professions or disciplines related to the course of study at such institution or program, respectively, in the preceding academic year.”; and

(4) in subsection (g), by striking “1998” and inserting “2006”.

1 **SEC. 310. AUTHORIZATION OF APPROPRIATIONS.**

2 Subsection (a) of section 399 (20 U.S.C. 1068h) is
3 amended to read as follows:

4 “(a) AUTHORIZATIONS.—

5 “(1) PART A.—(A) There are authorized to be
6 appropriated to carry out part A (other than section
7 316) such sums as may be necessary for fiscal year
8 2006 and each of the 5 succeeding fiscal years.

9 “(B) There are authorized to be appropriated
10 to carry out section 316 such sums as may be nec-
11 essary for fiscal year 2006 and each of the 5 suc-
12 ceeding fiscal years.

13 “(C) There are authorized to be appropriated to
14 carry out section 317 such sums as may be nec-
15 essary for fiscal year 2006 and each of the 5 suc-
16 ceeding fiscal years.

17 “(D) There are authorized to be appropriated
18 to carry out section 318 such sums as may be nec-
19 essary for fiscal year 2006 and each of the 5 suc-
20 ceeding fiscal years.

21 “(2) PART B.—(A) There are authorized to be
22 appropriated to carry out part B (other than section
23 326) such sums as may be necessary for fiscal year
24 2006 and each of the 5 succeeding fiscal years.

25 “(B) There are authorized to be appropriated
26 to carry out section 326 such sums as may be nec-

1 necessary for fiscal year 2006 and each of the 5 suc-
 2 ceeding fiscal years.

3 “(3) PART C.—There are authorized to be ap-
 4 propriated to carry out part C such sums as may be
 5 necessary for fiscal year 2006 and each of the 5 suc-
 6 ceeding fiscal years.

7 “(4) PART D.—(A) There are authorized to be
 8 appropriated to carry out part D (other than section
 9 345(7), but including section 347) such sums as
 10 may be necessary for fiscal year 2006 and each of
 11 the 5 succeeding fiscal years.

12 “(B) There are authorized to be appropriated
 13 to carry out section 345(7) such sums as may be
 14 necessary for fiscal year 2006 and each of the 5 suc-
 15 ceeding fiscal years.

16 “(5) PART E.—There are authorized to be ap-
 17 propriated to carry out part E such sums as may be
 18 necessary for fiscal year 2006 and each of the 5 suc-
 19 ceeding fiscal years.”.

20 **SEC. 311. TECHNICAL CORRECTIONS.**

21 Title III (20 U.S.C. 1051 et seq.) is further amend-
 22 ed—

23 (1) in section 342(5)(C) (20 U.S.C.
 24 1066a(5)(C)), by striking “,” and inserting “,”;

1 (2) in section 343(e) (20 U.S.C. 1066b(e)), by
 2 inserting “SALE OF QUALIFIED BONDS.—” before
 3 “Notwithstanding”;

4 (3) in the matter preceding clause (i) of section
 5 365(9)(A) (20 U.S.C. 1067k(9)(A)), by striking
 6 “support” and inserting “supports”;

7 (4) in section 391(b)(7)(E) (20 U.S.C.
 8 1068(b)(7)(E)), by striking “subparagraph (E)” and
 9 inserting “subparagraph (D)”;

10 (5) in the matter preceding subparagraph (A)
 11 of section 392(b)(2) (20 U.S.C. 1068a(b)(2)), by
 12 striking “eligible institutions under part A institu-
 13 tions” and inserting “eligible institutions under part
 14 A”; and

15 (6) in the matter preceding paragraph (1) of
 16 section 396 (20 U.S.C. 1068e), by striking “360”
 17 and inserting “399”.

18 **TITLE IV—STUDENT ASSISTANCE**

19 **PART A—GRANTS TO STUDENTS IN ATTENDANCE**

20 **AT INSTITUTIONS OF HIGHER EDUCATION**

21 **SEC. 401. FEDERAL PELL GRANTS.**

22 Section 401 (20 U.S.C. 1070a) is amended—

23 (1) in subsection (a)(1)—

24 (A) in the first sentence, by striking
 25 “2004” and inserting “2012”; and

1 (B) in the second sentence, by striking “,”
 2 and inserting “,”;

3 (2) in subsection (b)—

4 (A) by striking paragraph (2)(A) and in-
 5 serting the following:

6 “(2)(A) the amount of the Federal Pell Grant for a
 7 student eligible under this part shall be—

8 “(i) \$5,100 for academic year 2006–2007;

9 “(ii) \$5,400 for academic year 2007–2008;

10 “(iii) \$5,700 for academic year 2008–2009;

11 “(iv) \$6,000 for academic year 2009–2010; and

12 “(v) \$6,300 for academic year 2010–2011,

13 less an amount equal to the amount determined to be the
 14 expected family contribution with respect to that student
 15 for that year.”;

16 (B) by striking paragraph (3);

17 (C) by redesignating paragraphs (4)
 18 through (8) as paragraphs (3) through (7), re-
 19 spectively;

20 (D) in paragraph (4) (as redesignated by
 21 subparagraph (C)), by striking “\$400, except”
 22 and all that follows through the period and in-
 23 serting “10 percent of the maximum basic
 24 grant level specified in the appropriate Appro-
 25 priation Act for such academic year.”; and

1 (E) by striking paragraph (5) (as redesignated by subparagraph (C)) and inserting the
2 following:
3

4 “(5) In the case of a student who is enrolled, on at
5 least a half-time basis and for a period of more than 1
6 academic year in a 2-year or 4-year program of instruction
7 for which an institution of higher education awards an as-
8 sociate or baccalaureate degree, the Secretary shall allow
9 such student to receive not more than 2 Federal Pell
10 Grants during a single award year to permit such student
11 to accelerate the student’s progress toward a degree by
12 attending additional sessions. In the case of a student re-
13 ceiving more than 1 Federal Pell Grant in a single award
14 year, the total amount of Federal Pell Grants awarded to
15 such student for the award year may exceed the basic
16 grant level specified in the appropriate Appropriation Act
17 for such award year.”; and

18 (3) in subsection (c), by adding at the end the
19 following:

20 “(5) The period of time during which a student may
21 receive Federal Pell Grants shall not exceed 18 semesters,
22 or an equivalent period of time as determined by the Sec-
23 retary pursuant to regulations, which period shall—

1 “(A) be determined without regard to whether
2 the student is enrolled on a full-time basis during
3 any portion of the period of time; and

4 “(B) include any period of time for which the
5 student received a Federal Pell Grant prior to the
6 date of enactment of the Higher Education Amend-
7 ments of 2005.”.

8 **SEC. 402. FEDERAL TRIO PROGRAMS.**

9 (a) PROGRAM AUTHORITY; AUTHORIZATION OF AP-
10 PROPRIATIONS.—Section 402A (20 U.S.C. 1070a–11) is
11 amended—

12 (1) in subsection (b)—

13 (A) in paragraph (2)—

14 (i) in the matter preceding subpara-
15 graph (A), by striking “4” and inserting
16 “5”;

17 (ii) by striking subparagraph (A); and

18 (iii) by redesignating subparagraphs
19 (B) and (C) as subparagraphs (A) and
20 (B), respectively; and

21 (B) by striking paragraph (3) and insert-
22 ing the following:

23 “(3) MINIMUM GRANTS.—Unless the institution
24 or agency requests a smaller amount, an individual
25 grant authorized under this chapter shall be award-

ed in an amount that is not less than \$200,000, except that an individual grant authorized under section 402G shall be awarded in an amount that is not less than \$170,000.”;

(2) in subsection (c)—

(A) in paragraph (2), by striking “service delivery” and inserting “high quality service delivery, as determined under subsection (f),”;

(B) in paragraph (3)(B), by striking “is not required to” and inserting “shall not”; and

(C) in paragraph (5), by striking “campuses” and inserting “different campuses”;

(3) in subsection (e), by striking “(g)(2)” each place the term occurs and inserting “(h)(4)”;

(4) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(5) by inserting after subsection (e) the following:

“(f) OUTCOME CRITERIA.—

“(1) IN GENERAL.—The Secretary, by regulation, shall establish outcome criteria for measuring, annually and for longer periods, the quality and effectiveness of programs authorized under this chapter.

1 “(2) USE FOR PRIOR EXPERIENCE DETERMINA-
2 TION.—The outcome criteria under paragraph (1)
3 shall be used to evaluate the programs provided by
4 a recipient of a grant under this chapter, and the
5 Secretary shall determine an eligible entity’s prior
6 experience of high quality service delivery, as re-
7 quired in subsection (c)(2), based on the outcome
8 criteria.

9 “(3) CONSIDERATION OF RELEVANT DATA.—
10 The outcome criteria under this subsection shall
11 take into account data pertaining to secondary
12 school completion, postsecondary education enroll-
13 ment, and postsecondary education completion for
14 low-income students, first generation college stu-
15 dents, and individuals with disabilities, in the schools
16 and institutions of higher education served by the
17 program to be evaluated.

18 “(4) CONTENTS OF OUTCOME CRITERIA.—The
19 outcome criteria shall include the following:

20 “(A) For programs authorized under sec-
21 tion 402B, whether the eligible entity met or
22 exceeded the entity’s objectives established in
23 the entity’s application for such program re-
24 garding—

1 “(i) the delivery of service to a total
2 number of students served by the program;

3 “(ii) the continued secondary school
4 enrollment of such students;

5 “(iii) the graduation of such students
6 from secondary school; and

7 “(iv) the enrollment of such students
8 in an institution of higher education.

9 “(B) For programs authorized under sec-
10 tion 402C, whether the eligible entity met or ex-
11 ceeded its objectives for such program regard-
12 ing—

13 “(i) the delivery of service to a total
14 number of students served by the program,
15 as agreed upon by the entity and the Sec-
16 retary for the period;

17 “(ii) such students’ school perform-
18 ance, as measured by the grade point aver-
19 age, or its equivalent;

20 “(iii) such students’ academic per-
21 formance, as measured by standardized
22 tests, including tests required by the stu-
23 dents’ State;

1 “(iv) the retention in, and graduation
2 from, secondary school of such students;
3 and

4 “(v) the enrollment of such students
5 in an institution of higher education.

6 “(C) For programs authorized under sec-
7 tion 402D—

8 “(i) whether the eligible entity met or
9 exceeded the entity’s objectives regarding
10 the retention in postsecondary education of
11 the students served by the program;

12 “(ii)(I) in the case of an entity that is
13 an institution of higher education offering
14 a baccalaureate degree, the extent to which
15 the entity met or exceeded the entity’s ob-
16 jectives regarding such students’ comple-
17 tion of the degree programs in which such
18 students were enrolled; or

19 “(II) in the case of an entity that is
20 an institution of higher education that does
21 not offer a baccalaureate degree, the extent
22 to which the entity met or exceeded the en-
23 tity’s objectives regarding—

24 “(aa) the completion of a degree
25 or certificate by such students; and

1 “(bb) the transfer of such stu-
2 dents to institutions of higher edu-
3 cation that offer baccalaureate de-
4 grees;

5 “(iii) whether the entity met or ex-
6 ceeded the entity’s objectives regarding the
7 delivery of service to a total number of stu-
8 dents, as agreed upon by the entity and
9 the Secretary for the period; and

10 “(iv) whether the applicant met or ex-
11 ceeded the entity’s objectives regarding
12 such students remaining in good academic
13 standing.

14 “(D) For programs authorized under sec-
15 tion 402E, whether the entity met or exceeded
16 the entity’s objectives for such program regard-
17 ing—

18 “(i) the delivery of service to a total
19 number of students, as agreed upon by the
20 entity and the Secretary for the period;

21 “(ii) the provision of appropriate
22 scholarly and research activities for the
23 students served by the program;

1 “(iii) the acceptance and enrollment
2 of such students in graduate programs;
3 and

4 “(iv) the attainment of doctoral de-
5 grees by former program participants.

6 “(E) For programs authorized under sec-
7 tion 402F, whether the entity met or exceeded
8 the entity’s objectives for such program regard-
9 ing—

10 “(i) the enrollment of students with-
11 out a secondary school diploma or its rec-
12 ognized equivalent, who were served by the
13 program, in programs leading to such di-
14 ploma or equivalent;

15 “(ii) the enrollment of secondary
16 school graduates who were served by the
17 program in programs of postsecondary
18 education;

19 “(iii) the delivery of service to a total
20 number of students, as agreed upon by the
21 entity and the Secretary for the period;
22 and

23 “(iv) the provision of assistance to
24 students served by the program in com-

1 pleting financial aid applications and col-
 2 lege admission applications.”;

3 (6) in subsection (g) (as redesignated by para-
 4 graph (4))—

5 (A) in the first sentence, by striking
 6 “\$700,000,000 for fiscal year 1999” and all
 7 that follows through the period and inserting
 8 “such sums as may be necessary for fiscal year
 9 2006 and each of the 5 succeeding fiscal
 10 years.”; and

11 (B) by striking the fourth sentence; and

12 (7) in subsection (h) (as redesignated by para-
 13 graph (4))—

14 (A) by redesignating paragraphs (1)
 15 through (4) as paragraphs (3) through (6), re-
 16 spectively;

17 (B) by inserting before paragraph (3) (as
 18 redesignated by subparagraph (A)) the fol-
 19 lowing:

20 “(1) DIFFERENT CAMPUS.—The term ‘different
 21 campus’ means a site of an institution of higher edu-
 22 cation that—

23 “(A) is geographically apart from the main
 24 campus of the institution;

25 “(B) is permanent in nature; and

1 “(C) offers courses in educational pro-
 2 grams leading to a degree, certificate, or other
 3 recognized educational credential.

4 “(2) DIFFERENT POPULATION.—The term ‘dif-
 5 ferent population’ means a group of individuals, with
 6 respect to whom an eligible entity desires to serve
 7 through an application for a grant under this chap-
 8 ter, that—

9 “(A) is separate and distinct from any
 10 other population that the entity has applied for
 11 a grant under this chapter to serve; or

12 “(B) while sharing some of the same needs
 13 as another population that the eligible entity
 14 has applied for a grant under this chapter to
 15 serve, has distinct needs for specialized serv-
 16 ices.”;

17 (C) in paragraph (5) (as redesignated by
 18 subparagraph (A))—

19 (i) in subparagraph (A), by striking
 20 “or” after the semicolon;

21 (ii) in subparagraph (B), by striking
 22 the period at the end and inserting “; or”;
 23 and

24 (iii) by adding at the end the fol-
 25 lowing:

1 “(C) was a member of a reserve component
2 of the Armed Forces called to active duty for a
3 period of more than 180 days.”; and

4 (D) in paragraph (6), by striking “sub-
5 paragraph (A) or (B) of paragraph (3)” and in-
6 serting “subparagraph (A), (B), or (C) of para-
7 graph (5)”.

8 (b) TALENT SEARCH.—Section 402B (20 U.S.C.
9 1070a–12) is amended—

10 (1) in subsection (a)—

11 (A) in paragraph (1), by striking “to iden-
12 tify qualified youths with potential for edu-
13 cation at the postsecondary level and to encour-
14 age such youths” and inserting “to encourage
15 eligible youths”;

16 (B) in paragraph (2), by inserting “, and
17 facilitate the application for,” after “the avail-
18 ability of”; and

19 (C) in paragraph (3), by striking “, but
20 who have the ability to complete such programs,
21 to reenter” and inserting “to enter or reenter,
22 and complete”;

23 (2) by redesignating subsection (c) as sub-
24 section (d);

1 (3) by striking subsection (b) and inserting the
2 following:

3 “(b) REQUIRED SERVICES.—Any project assisted
4 under this section shall provide—

5 “(1) academic tutoring, or connections to high
6 quality academic tutoring services, to enable stu-
7 dents to complete secondary or postsecondary
8 courses, which may include instruction in reading,
9 writing, study skills, mathematics, science, and other
10 subjects;

11 “(2) advice and assistance in secondary course
12 selection and, if applicable, initial postsecondary
13 course selection;

14 “(3) assistance in preparing for college entrance
15 examinations and completing college admission ap-
16 plications;

17 “(4)(A) information on both the full range of
18 Federal student financial aid programs (including
19 Federal Pell Grant awards and loan forgiveness) and
20 resources for locating public and private scholar-
21 ships; and

22 “(B) assistance in completing financial aid ap-
23 plications, including the Free Application for Fed-
24 eral Student Aid described in section 483(a);

25 “(5) guidance on and assistance in—

1 “(A) secondary school reentry;

2 “(B) alternative education programs for
3 secondary school dropouts that lead to the re-
4 ceipt of a regular secondary school diploma;

5 “(C) entry into general educational devel-
6 opment (GED) programs; or

7 “(D) postsecondary education; and

8 “(6) education or counseling services designed
9 to improve the financial literacy and economic lit-
10 eracy of students or their parents, including finan-
11 cial planning for postsecondary education.

12 “(c) PERMISSIBLE SERVICES.—Any project assisted
13 under this section may provide services such as—

14 “(1) personal and career counseling or activi-
15 ties;

16 “(2) information and activities designed to ac-
17 quaint youths with the range of career options avail-
18 able to the youths;

19 “(3) exposure to the campuses of institutions of
20 higher education, as well as cultural events, aca-
21 demic programs, and other sites or activities not
22 usually available to disadvantaged youth;

23 “(4) workshops and counseling for families of
24 students served;

1 “(5) mentoring programs involving elementary
 2 or secondary school teachers or counselors, faculty
 3 members at institutions of higher education, stu-
 4 dents, or any combination of such persons; and

5 “(6) programs and activities as described in
 6 subsection (b) or paragraphs (1) through (5) of this
 7 subsection that are specially designed for students
 8 who are limited English proficient, students with
 9 disabilities, students who are homeless children and
 10 youths (as such term is defined in section 725 of the
 11 McKinney-Vento Homeless Assistance Act (42
 12 U.S.C. 11434a)), or students who are in foster care
 13 or are aging out of the foster care system.”; and

14 (4) in the matter preceding paragraph (1) of
 15 subsection (d) (as redesignated by paragraph (2)),
 16 by striking “talent search projects under this chap-
 17 ter” and inserting “projects under this section”.

18 (c) UPWARD BOUND.—Section 402C (20 U.S.C.
 19 1070a–13) is amended—

20 (1) by striking subsection (b) and inserting the
 21 following:

22 “(b) REQUIRED SERVICES.—Any project assisted
 23 under this section shall provide—

24 “(1) academic tutoring to enable students to
 25 complete secondary or postsecondary courses, which

1 may include instruction in reading, writing, study
2 skills, mathematics, science, and other subjects;

3 “(2) advice and assistance in secondary and
4 postsecondary course selection;

5 “(3) assistance in preparing for college entrance
6 examinations and completing college admission ap-
7 plications;

8 “(4)(A) information on both the full range of
9 Federal student financial aid programs (including
10 Federal Pell Grant awards and loan forgiveness) and
11 resources for locating public and private scholar-
12 ships; and

13 “(B) assistance in completing financial aid ap-
14 plications, including the Free Application for Fed-
15 eral Student Aid described in section 483(a);

16 “(5) guidance on and assistance in—

17 “(A) secondary school reentry;

18 “(B) alternative education programs for
19 secondary school dropouts that lead to the re-
20 ceipt of a regular secondary school diploma;

21 “(C) entry into general educational devel-
22 opment (GED) programs; or

23 “(D) postsecondary education; and

24 “(6) education or counseling services designed
25 to improve the financial literacy and economic lit-

1 eracy of students, including financial planning for
 2 postsecondary education.”;

3 (2) in subsection (c)—

4 (A) in the subsection heading, by striking
 5 “REQUIRED SERVICES” and inserting “ADDI-
 6 TIONAL REQUIRED SERVICES FOR MULTIPLE-
 7 YEAR GRANT RECIPIENTS”; and

8 (B) by striking “upward bound project as-
 9 sisted under this chapter” and inserting
 10 “project assisted under this section”;

11 (3) by redesignating subsections (d) and (e) as
 12 subsections (e) and (f), respectively;

13 (4) by inserting after subsection (c) the fol-
 14 lowing:

15 “(d) PERMISSIBLE SERVICES.—Any project assisted
 16 under this section may provide such services as—

17 “(1) exposure to cultural events, academic pro-
 18 grams, and other activities not usually available to
 19 disadvantaged youth;

20 “(2) information, activities and instruction de-
 21 signed to acquaint youths participating in the
 22 project with the range of career options available to
 23 the youths;

24 “(3) on-campus residential programs;

1 “(4) mentoring programs involving elementary
 2 school or secondary school teachers or counselors,
 3 faculty members at institutions of higher education,
 4 students, or any combination of such persons;

5 “(5) work-study positions where youth partici-
 6 pating in the project are exposed to careers requir-
 7 ing a postsecondary degree;

8 “(6) special services to enable veterans to make
 9 the transition to postsecondary education; and

10 “(7) programs and activities as described in
 11 subsection (b), subsection (c), or paragraphs (1)
 12 through (6) of this subsection that are specially de-
 13 signed for students who are limited English pro-
 14 ficient, students with disabilities, students who are
 15 homeless children and youths (as such term is de-
 16 fined in section 725 of the McKinney-Vento Home-
 17 less Assistance Act (42 U.S.C. 11434a)), or students
 18 who are in foster care or are aging out of the foster
 19 care system.”;

20 (5) in the matter preceding paragraph (1) of
 21 subsection (e) (as redesignated by paragraph (3)),
 22 by striking “upward bound projects under this chap-
 23 ter” and inserting “projects under this section”; and

24 (6) in subsection (f) (as redesignated by para-
 25 graph (3))—

1 (A) by striking “during June, July, and
 2 August” each place the term occurs and insert-
 3 ing “during the summer school recess, for a pe-
 4 riod not to exceed 3 months”; and

5 (B) by striking “(b)(10)” and inserting
 6 “(d)(5)”.

7 (d) STUDENT SUPPORT SERVICES.—Section 402D
 8 (20 U.S.C. 1070a–14) is amended—

9 (1) in subsection (a)—

10 (A) in paragraph (2), by striking “and”
 11 after the semicolon;

12 (B) by striking paragraph (3) and insert-
 13 ing the following:

14 “(3) to foster an institutional climate sup-
 15 portive of the success of low-income and first gen-
 16 eration college students, students with disabilities,
 17 students who are limited English proficient, students
 18 who are homeless children and youths (as such term
 19 is defined in section 725 of the McKinney-Vento
 20 Homeless Assistance Act (42 U.S.C. 11434a)), and
 21 students who are in foster care or are aging out of
 22 the foster care system.”; and

23 (C) by adding at the end the following:

24 “(4) to improve the financial literacy and eco-
 25 nomic literacy of students, including—

1 “(A) basic personal income, household
2 money management, and financial planning
3 skills; and

4 “(B) basic economic decisionmaking
5 skills.”;

6 (2) by redesignating subsections (c) and (d) as
7 subsections (d) and (e);

8 (3) by striking subsection (b) and inserting the
9 following:

10 “(b) REQUIRED SERVICES.—A project assisted under
11 this section shall provide—

12 “(1) academic tutoring to enable students to
13 complete postsecondary courses, which may include
14 instruction in reading, writing, study skills, mathe-
15 matics, science, and other subjects;

16 “(2) advice and assistance in postsecondary
17 course selection;

18 “(3)(A) information on both the full range of
19 Federal student financial aid programs (including
20 Federal Pell Grant awards and loan forgiveness) and
21 resources for locating public and private scholar-
22 ships; and

23 “(B) assistance in completing financial aid ap-
24 plications, including the Free Application for Fed-
25 eral Student Aid described in section 483(a);

1 “(4) education or counseling services designed
2 to improve the financial literacy and economic lit-
3 eracy of students, including financial planning for
4 postsecondary education;

5 “(5) activities designed to assist students par-
6 ticipating in the project in securing college admis-
7 sion and financial assistance for enrollment in grad-
8 uate and professional programs; and

9 “(6) activities designed to assist students en-
10 rolled in 2-year institutions of higher education in
11 securing admission and financial assistance for en-
12 rollment in a 4-year program of postsecondary edu-
13 cation.

14 “(c) PERMISSIBLE SERVICES.—A project assisted
15 under this section may provide services such as—

16 “(1) consistent, individualized personal, career,
17 and academic counseling, provided by assigned coun-
18 selors;

19 “(2) information, activities, and instruction de-
20 signed to acquaint youths participating in the
21 project with the range of career options available to
22 the students;

23 “(3) exposure to cultural events and academic
24 programs not usually available to disadvantaged stu-
25 dents;

1 “(4) activities designed to acquaint students
2 participating in the project with the range of career
3 options available to the students;

4 “(5) mentoring programs involving faculty or
5 upper class students, or a combination thereof;

6 “(6) securing temporary housing during breaks
7 in the academic year for students who are homeless
8 children and youths (as such term is defined in sec-
9 tion 725 of the McKinney-Vento Homeless Assist-
10 ance Act (42 U.S.C. 11434a)) or were formerly
11 homeless children and youths and students who are
12 in foster care or are aging out of the foster care sys-
13 tem; and

14 “(7) programs and activities as described in
15 subsection (b) or paragraphs (1) through (5) of this
16 subsection that are specially designed for students
17 who are limited English proficient, students with
18 disabilities, students who are homeless children and
19 youths (as such term is defined in section 725 of the
20 McKinney-Vento Homeless Assistance Act (42
21 U.S.C. 11434a)) or were formerly homeless children
22 and youths, or students who are in foster care or are
23 aging out of the foster care system.”;

1 (4) in subsection (d)(1) (as redesignated by
 2 paragraph (2)), by striking “subsection (b)” and in-
 3 serting “subsection (c)”; and

4 (5) in the matter preceding paragraph (1) of
 5 subsection (e) (as redesignated by paragraph (2)),
 6 by striking “student support services projects under
 7 this chapter” and inserting “projects under this sec-
 8 tion”.

9 (e) POSTBACCALAUREATE ACHIEVEMENT PROGRAM
 10 AUTHORITY.—Section 402E (20 U.S.C. 1070a–15) is
 11 amended—

12 (1) in subsection (b)—

13 (A) in the subsection heading, by inserting
 14 “REQUIRED” before “SERVICES”;

15 (B) in the matter preceding paragraph (1),
 16 by striking “A postbaccalaureate achievement
 17 project assisted under this section may provide
 18 services such as—” and inserting “A project as-
 19 sisted under this section shall provide—”;

20 (C) in paragraph (5), by inserting “and”
 21 after the semicolon;

22 (D) in paragraph (6), by striking the semi-
 23 colon and inserting a period; and

24 (E) by striking paragraphs (7) and (8);

1 (2) by redesignating subsections (c) through (f)
2 as subsections (d) through (g), respectively;

3 (3) by inserting after subsection (b) the fol-
4 lowing:

5 “(c) PERMISSIBLE SERVICES.—A project assisted
6 under this section may provide services such as—

7 “(1) education or counseling services designed
8 to improve the financial literacy and economic lit-
9 eracy of students or their parents, including finan-
10 cial planning for postsecondary education;

11 “(2) mentoring programs involving faculty
12 members at institutions of higher education, stu-
13 dents, or any combination of such persons; and

14 “(3) exposure to cultural events and academic
15 programs not usually available to disadvantaged stu-
16 dents.”;

17 (4) in the matter preceding paragraph (1) of
18 subsection (d) (as redesignated by paragraph (2)),
19 by striking “postbaccalaureate achievement”;

20 (5) in the matter preceding paragraph (1) of
21 subsection (f) (as redesignated by paragraph (2)), by
22 striking “postbaccalaureate achievement project”
23 and inserting “project under this section”; and

24 (6) in subsection (g) (as redesignated by para-
25 graph (2))—

1 (A) by striking “402A(f)” and inserting
2 “402A(g)”; and

3 (B) by striking “1993 through 1997” and
4 inserting “2006 through 2010”.

5 (f) EDUCATIONAL OPPORTUNITY CENTERS.—Section
6 402F (20 U.S.C. 1070a–16) is amended—

7 (1) in subsection (a)—

8 (A) in paragraph (1), by striking “and”
9 after the semicolon;

10 (B) in paragraph (2), by striking the pe-
11 riod at the end and inserting “; and”; and

12 (C) by adding at the end the following:

13 “(3) to improve the financial literacy and eco-
14 nomic literacy of students, including—

15 “(A) basic personal income, household
16 money management, and financial planning
17 skills; and

18 “(B) basic economic decisionmaking
19 skills.”; and

20 (2) in subsection (b)—

21 (A) by redesignating paragraphs (5)
22 through (10) as paragraphs (6) through (11),
23 respectively;

24 (B) by inserting after paragraph (4) the
25 following:

1 “(5) education or counseling services designed
2 to improve the financial literacy and economic lit-
3 eracy of students or their parents;”;

4 (C) by striking paragraph (7) (as redesign-
5 nated by subparagraph (A)) and inserting the
6 following:

7 “(7) individualized personal, career, and aca-
8 demic counseling;” and

9 (D) by striking paragraph (11) (as redesign-
10 nated by subparagraph (A)) and inserting the
11 following:

12 “(11) programs and activities as described in
13 paragraphs (1) through (10) that are specially de-
14 signed for students who are limited English pro-
15 ficient, students with disabilities, or students who
16 are homeless children and youths (as such term is
17 defined in section 725 of the McKinney-Vento
18 Homeless Assistance Act (42 U.S.C. 11434a)), or
19 programs and activities for students who are in fos-
20 ter care or are aging out of the foster care system.”.

21 (g) STAFF DEVELOPMENT ACTIVITIES.—Section
22 402G(b)(3) (20 U.S.C. 1070a–17(b)(3)) is amended by in-
23 serting “, including strategies for recruiting and serving
24 students who are homeless children and youths (as such
25 term is defined in section 725 of the McKinney-Vento

1 Homeless Assistance Act (42 U.S.C. 11434a)) and stu-
 2 dents who are in foster care or are aging out of the foster
 3 care system” before the period at the end.

4 (h) REPORTS, EVALUATIONS, AND GRANTS FOR
 5 PROJECT IMPROVEMENT AND DISSEMINATION.—Section
 6 402H (20 U.S.C. 1070a–18) is amended—

7 (1) by striking the section heading and insert-
 8 ing “**REPORTS, EVALUATIONS, AND GRANTS**
 9 **FOR PROJECT IMPROVEMENT AND DISSEMINA-**
 10 **TION.**”;

11 (2) by redesignating subsections (a) through (c)
 12 as subsections (b) through (d), respectively; and

13 (3) by inserting before subsection (b) (as redes-
 14 ignated by paragraph (2)) the following:

15 “(a) REPORT TO CONGRESS.—At least once every 2-
 16 year period, the Secretary shall prepare and submit to
 17 Congress a report on the outcomes achieved by the pro-
 18 grams authorized under this chapter. Such report shall in-
 19 clude a statement for the preceding fiscal year speci-
 20 fying—

21 “(1) the number of grants awarded during each
 22 fiscal year, and the number of individuals served by
 23 the programs carried out under such grants;

1 “(2) the number of entities that received grants
2 during the fiscal year, including the number of enti-
3 ties that—

4 “(A) received a grant to carry out a pro-
5 gram under this chapter for the fiscal year; and

6 “(B) had not received funding for that
7 particular program during the previous grant
8 cycle;

9 “(3) a comparison of the number and percent-
10 age of grant awards made to entities described in
11 paragraph (2), with the number of such entities
12 funded through discretionary grant competitions
13 conducted by the Secretary under this chapter in the
14 3 grant cycles preceding the fiscal year;

15 “(4) information on the number of individuals
16 served in each program authorized under this chap-
17 ter; and

18 “(5) information on the outcomes achieved by
19 each program authorized under this chapter, includ-
20 ing the outcome criteria described in section 402A(f)
21 for each program.”.

1 **SEC. 403. GAINING EARLY AWARENESS AND READINESS**
2 **FOR UNDERGRADUATE PROGRAMS.**

3 (a) EARLY INTERVENTION AND COLLEGE AWARE-
4 NESS PROGRAM AUTHORIZED.—Section 404A (20 U.S.C.
5 1070a–21) is amended—

6 (1) by striking subsection (a) and inserting the
7 following:

8 “(a) PROGRAM AUTHORIZED.—The Secretary is au-
9 thorized, in accordance with the requirements of this chap-
10 ter, to establish a program that encourages eligible entities
11 to provide support to eligible low-income students to assist
12 the students in obtaining a secondary school diploma (or
13 its recognized equivalent) and to prepare for and succeed
14 in postsecondary education, by providing—

15 “(1) financial assistance, academic support, ad-
16 ditional counseling, mentoring, outreach, and sup-
17 portive services to middle school and secondary
18 school students to reduce—

19 “(A) the risk of such students dropping
20 out of school; or

21 “(B) the need for remedial education for
22 such students at the postsecondary level; and

23 “(2) information to students and their parents
24 about the advantages of obtaining a postsecondary
25 education and the college financing options for the
26 students and their parents.”;

1 (2) by striking subsection (b)(2)(A) and insert-
2 ing the following:

3 “(A) give priority to eligible entities that
4 have a prior, demonstrated commitment to
5 early intervention leading to college access
6 through collaboration and replication of suc-
7 cessful strategies;” and

8 (3) by striking subsection (c)(2) and inserting
9 the following:

10 “(2) a partnership—

11 “(A) consisting of—

12 “(i) 1 or more local educational agen-
13 cies; and

14 “(ii) 1 or more degree granting insti-
15 tutions of higher education; and

16 “(B) which may include not less than 2
17 other community organizations or entities, such
18 as businesses, professional organizations, State
19 agencies, institutions or agencies sponsoring
20 programs authorized under subpart 4, or other
21 public or private agencies or organizations.”.

22 (b) REQUIREMENTS.—Section 404B (20 U.S.C.
23 1070a–22) is amended—

24 (1) by striking subsection (a) and inserting the
25 following:—

1 “(a) FUNDING RULES.—

2 “(1) DISTRIBUTION.—In awarding grants from
3 the amount appropriated under section 404G for a
4 fiscal year, the Secretary shall take into consider-
5 ation—

6 “(A) the geographic distribution of such
7 awards; and

8 “(B) the distribution of such awards be-
9 tween urban and rural applicants.

10 “(2) SPECIAL RULE.—The Secretary shall an-
11 nually reevaluate the distribution of funds described
12 in paragraph (1) based on number, quality, and
13 promise of the applications.”;

14 (2) by striking subsections (b), (e), and (f);

15 (3) by redesignating subsections (c), (d), and
16 (g) as subsections (b), (c), and (d), respectively; and

17 (4) by adding at the end the following:

18 “(e) SUPPLEMENT, NOT SUPPLANT.—Grant funds
19 awarded under this chapter shall be used to supplement,
20 and not supplant, other Federal, State, and local funds
21 that would otherwise be expended to carry out activities
22 assisted under this chapter.”.

23 (c) APPLICATION.—Section 404C (20 U.S.C. 1070a–
24 23) is amended—

1 (1) in the section heading, by striking “**ELIGI-**
 2 **BLE ENTITY PLANS**” and inserting “**APPLICA-**
 3 **TIONS**”;

4 (2) in subsection (a)—

5 (A) in the subsection heading, by striking
 6 “PLAN” and inserting “APPLICATION”;

7 (B) in paragraph (1)—

8 (i) by striking “a plan” and inserting
 9 “an application”; and

10 (ii) by striking the second sentence;

11 and

12 (C) by striking paragraph (2) and insert-
 13 ing the following:

14 “(2) CONTENTS.—Each application submitted
 15 pursuant to paragraph (1) shall be in such form,
 16 contain or be accompanied by such information or
 17 assurances, and be submitted at such time as the
 18 Secretary may require. Each such application shall,
 19 at a minimum—

20 “(A) describe the activities for which as-
 21 sistance under this chapter is sought, including
 22 how the eligible entity will carry out the re-
 23 quired activities described in section 404D(a);

24 “(B) describe how the eligible agency will
 25 meet the requirements of section 404E;

1 “(C) provide assurances that adequate ad-
2 ministrative and support staff will be respon-
3 sible for coordinating the activities described in
4 section 404D;

5 “(D) ensure that activities assisted under
6 this chapter will not displace an employee or
7 eliminate a position at a school assisted under
8 this chapter, including a partial displacement
9 such as a reduction in hours, wages or employ-
10 ment benefits;

11 “(E) describe, in the case of an eligible en-
12 tity described in section 404A(c)(2), how the el-
13 igible entity will define the cohorts of the stu-
14 dents served by the eligible entity pursuant to
15 section 404B(d), and how the eligible entity will
16 serve the cohort through grade 12, including—

17 “(i) how vacancies in the program
18 under this chapter will be filled; and

19 “(ii) how the eligible entity will serve
20 students attending different secondary
21 schools;

22 “(F) describe how the eligible entity will
23 coordinate programs with other existing Fed-
24 eral, State, or local programs to avoid duplica-

1 tion and maximize the number of students
2 served;

3 “(G) provide such additional assurances as
4 the Secretary determines necessary to ensure
5 compliance with the requirements of this chap-
6 ter; and

7 “(H) provide information about the activi-
8 ties that will be carried out by the eligible enti-
9 ty to support systemic changes from which fu-
10 ture cohorts of students will benefit.”;

11 (3) in the matter preceding subparagraph (A)
12 of subsection (b)(1)—

13 (A) by striking “a plan” and inserting “an
14 application”; and

15 (B) by striking “such plan” and inserting
16 “such application”; and

17 (4) in subsection (c)(1), by striking the semi-
18 colon at the end and inserting “including—

19 “(A) the amount contributed to a student
20 scholarship fund established under section
21 404E; and

22 “(B) the amount of the costs of admin-
23 istering the scholarship program under section
24 404E;”.

1 (d) ACTIVITIES.—Section 404D (20 U.S.C. 1070a–
 2 24) is amended to read as follows:

3 **“SEC. 404D. ACTIVITIES.**

4 “(a) REQUIRED ACTIVITIES.—Each eligible entity re-
 5 ceiving a grant under this chapter shall carry out the fol-
 6 lowing:

7 “(1) Provide information regarding financial
 8 aid for postsecondary education to participating stu-
 9 dents in the cohort described in subsection
 10 404B(d)(1)(A).

11 “(2) Encourage student enrollment in rigorous
 12 and challenging curricula and coursework, in order
 13 to reduce the need for remedial coursework at the
 14 postsecondary level.

15 “(3) Support activities designed to improve the
 16 number of participating students who—

17 “(A) obtain a secondary school diploma;
 18 and

19 “(B) complete applications for and enroll
 20 in a program of postsecondary education.

21 “(4) In the case of an eligible entity described
 22 in section 404A(c)(1), provide for the scholarships
 23 described in section 404E.

24 “(b) OPTIONAL ACTIVITIES FOR STATES AND PART-
 25 NERSHIPS.—An eligible entity that receives a grant under

1 this chapter may use grant funds to carry out 1 or more
2 of the following activities:

3 “(1) Providing tutoring and supporting men-
4 tors, including adults or former participants of a
5 program under this chapter, for eligible students.

6 “(2) Conducting outreach activities to recruit
7 priority students described in subsection (d) to par-
8 ticipate in program activities.

9 “(3) Providing supportive services to eligible
10 students.

11 “(4) Supporting the development or implemen-
12 tation of rigorous academic curricula, which may in-
13 clude college preparatory, Advanced Placement, or
14 International Baccalaureate programs, and providing
15 participating students access to rigorous core
16 courses that reflect challenging State academic
17 standards.

18 “(5) Supporting dual or concurrent enrollment
19 programs between the secondary school and institu-
20 tion of higher education partners of an eligible entity
21 described in section 404A(c)(2), and other activities
22 that support participating students in—

23 “(A) achieving challenging academic stand-
24 ards;

1 “(B) successfully applying for postsec-
2 ondary education;

3 “(C) successfully applying for student fi-
4 nancial aid; and

5 “(D) developing graduation and career
6 plans.

7 “(6) Providing support for scholarships de-
8 scribed in section 404E.

9 “(7) Introducing eligible students to institutions
10 of higher education, through trips and school-based
11 sessions.

12 “(8) Providing an intensive extended school
13 day, school year, or summer program that offers—

14 “(A) additional academic classes; or

15 “(B) assistance with college admission ap-
16 plications.

17 “(9) Providing other activities designed to en-
18 sure secondary school completion and postsecondary
19 education enrollment of at-risk children, such as—

20 “(A) the identification of at-risk children;

21 “(B) after-school and summer tutoring;

22 “(C) assistance to at-risk children in ob-
23 taining summer jobs;

24 “(D) academic counseling;

25 “(E) volunteer and parent involvement;

1 “(F) encouraging former or current par-
 2 ticipants of a program under this chapter to
 3 serve as peer counselors;

4 “(G) skills assessments;

5 “(H) personal counseling;

6 “(I) family counseling and home visits;

7 “(J) staff development; and

8 “(K) programs and activities described in
 9 this subsection that are specially designed for
 10 students who are limited English proficient.

11 “(10) Enabling eligible students to enroll in Ad-
 12 vanced Placement or International Baccalaureate
 13 courses, or college entrance examination preparation
 14 courses.

15 “(11) Providing services to eligible students in
 16 the participating cohort described in section
 17 404B(d)(1)(A), through the first year of attendance
 18 at an institution of higher education.

19 “(c) ADDITIONAL OPTIONAL ACTIVITIES FOR
 20 STATES.—In addition to the required activities described
 21 in subsection (a) and the optional activities described in
 22 subsection (b), an eligible entity described in section
 23 404A(c)(1) receiving funds under this chapter may use
 24 grant funds to carry out 1 or more of the following activi-
 25 ties:

1 “(1) Providing technical assistance to—

2 “(A) middle schools or secondary schools
3 that are located within the State; or

4 “(B) partnerships described in section
5 404A(c)(2) that are located within the State.

6 “(2) Providing professional development oppor-
7 tunities to individuals working with eligible cohorts
8 of students described in section 404B(d)(1)(A).

9 “(3) Providing strategies and activities that
10 align efforts in the State to prepare eligible students
11 for attending and succeeding in postsecondary edu-
12 cation, which may include the development of grad-
13 uation and career plans.

14 “(4) Disseminating information on the use of
15 scientifically based research and best practices to
16 improve services for eligible students.

17 “(5)(A) Disseminating information on effective
18 coursework and support services that assist students
19 in obtaining the goals described in subparagraph
20 (B)(ii).

21 “(B) Identifying and disseminating information
22 on best practices with respect to—

23 “(i) increasing parental involvement; and

24 “(ii) preparing students, including students
25 with disabilities and students who are limited

1 English proficient, to succeed academically in,
2 and prepare financially for, postsecondary edu-
3 cation.

4 “(6) Working to align State academic standards
5 and curricula with the expectations of postsecondary
6 institutions and employers.

7 “(7) Developing alternatives to traditional sec-
8 ondary school that give students a head start on at-
9 taining a recognized postsecondary credential (in-
10 cluding an industry certificate, an apprenticeship, or
11 an associate’s or a bachelor’s degree), including
12 school designs that give students early exposure to
13 college-level courses and experiences and allow stu-
14 dents to earn transferable college credits or an asso-
15 ciate’s degree at the same time as a secondary
16 school diploma.

17 “(8) Creating community college programs for
18 drop-outs that are personalized drop-out recovery
19 programs that allow drop-outs to complete a regular
20 secondary school diploma and begin college-level
21 work.

22 “(d) PRIORITY STUDENTS.—For eligible entities not
23 using a cohort approach, the eligible entity shall treat as
24 priority students any student in middle or secondary
25 school who is eligible—

1 “(1) to be counted under section 1124(c) of the
2 Elementary and Secondary Education Act of 1965;

3 “(2) for free or reduced price meals under the
4 Richard B. Russell National School Lunch Act;

5 “(3) for assistance under a State program
6 funded under part A or E of title IV of the Social
7 Security Act (42 U.S.C. 601 et seq., 670 et seq.);
8 or

9 “(4) for assistance under subtitle B of title VII
10 of the McKinney-Vento Homeless Assistance Act (42
11 U.S.C. 11431 et seq.).

12 “(e) ALLOWABLE PROVIDERS.—In the case of eligible
13 entities described in section 404A(c)(1), the activities re-
14 quired by this section may be provided by service providers
15 such as community-based organizations, schools, institu-
16 tions of higher education, public and private agencies,
17 nonprofit and philanthropic organizations, businesses, in-
18 stitutions and agencies sponsoring programs authorized
19 under subpart 4, and other organizations the State deter-
20 mines appropriate.”.

21 (e) SCHOLARSHIP COMPONENT.—Section 404E (20
22 U.S.C. 1070a–25) is amended—

23 (1) by striking subsections (e) and (f);

24 (2) by redesignating subsections (b), (c), and

25 (d) as subsections (d), (f), and (g), respectively;

1 (3) by inserting after subsection (a) the fol-
2 lowing:

3 “(b) LIMITATION.—

4 “(1) IN GENERAL.—Subject to paragraph (2),
5 each eligible entity described in section 404A(c)(1)
6 that receives a grant under this chapter shall use
7 not less than 25 percent and not more than 50 per-
8 cent of the grant funds for activities described in
9 section 404D(c), with the remainder of such funds
10 to be used for a scholarship program under this sec-
11 tion.

12 “(2) EXCEPTION.—Notwithstanding paragraph
13 (1), the Secretary may allow an eligible entity to use
14 more than 50 percent of grant funds received under
15 this chapter for such activities, if the eligible entity
16 demonstrates that the eligible entity has another
17 means of providing the students with the financial
18 assistance described in this section and describes
19 such means in the application submitted under sec-
20 tion 404C.

21 “(c) NOTIFICATION OF ELIGIBILITY.—Each eligible
22 entity providing scholarships under this section shall pro-
23 vide information on the eligibility requirements for the
24 scholarships to all participating students upon the stu-

1 dents' entry into the programs assisted under this chap-
 2 ter.”;

3 (4) in subsection (d) (as redesignated by para-
 4 graph (2)), by striking “the lesser of” and all that
 5 follows through the period at the end of paragraph
 6 (2) and inserting “the minimum Federal Pell Grant
 7 award under section 401 for such award year.”;

8 (5) by inserting after subsection (d) (as redesign-
 9 nated by paragraph (2) and amended by paragraph
 10 (4)) the following:

11 “(e) PORTABILITY OF ASSISTANCE.—

12 “(1) IN GENERAL.—Each eligible entity de-
 13 scribed in section 404A(c)(1) that receives a grant
 14 under this chapter shall create or organize a trust
 15 for each cohort described in section 404B(d)(1)(A)
 16 for which the grant is sought in the application sub-
 17 mitted by the entity, which trust shall be an amount
 18 that is not less than the minimum scholarship
 19 amount described in subsection (d), multiplied by
 20 the number of students participating in the cohort.

21 “(2) REQUIREMENT FOR PORTABILITY.—Funds
 22 contributed to the trust for a cohort shall be avail-
 23 able to a student in the cohort when the student
 24 has—

1 “(A) completed a secondary school di-
 2 ploma, its recognized equivalent, or other recog-
 3 nized alternative standard for individuals with
 4 disabilities; and

5 “(B) enrolled in an institution of higher
 6 education.

7 “(3) QUALIFIED EDUCATIONAL EXPENSES.—
 8 Funds available to an eligible student from a trust
 9 may be used for—

10 “(A) tuition, fees, books, supplies, and
 11 equipment required for the enrollment or at-
 12 tendance of the eligible student at an institution
 13 of higher education; and

14 “(B) in the case of an eligible student with
 15 special needs, expenses for special needs serv-
 16 ices which are incurred in connection with such
 17 enrollment or attendance.

18 “(4) RETURN OF FUNDS.—

19 “(A) REDISTRIBUTION.—

20 “(i) IN GENERAL.—Trust funds that
 21 are not used by an eligible student within
 22 6 years of the student’s scheduled comple-
 23 tion of secondary school may be redistrib-
 24 uted by the eligible entity to other eligible
 25 students.

1 “(ii) RETURN OF EXCESS TO THE
 2 SECRETARY.—If, after meeting the require-
 3 ments of paragraph (1) and, if applicable,
 4 redistributing excess funds in accordance
 5 with clause (i), an eligible entity has funds
 6 remaining, the eligible entity shall return
 7 excess funds to the Secretary for distribu-
 8 tion to other grantees under this chapter.

9 “(B) NONPARTICIPATING ENTITY.—Not-
 10 withstanding subparagraph (A), in the case of
 11 an eligible entity described in section
 12 404A(c)(1)(A) that does not receive assistance
 13 under this subpart for 6 fiscal years, the eligi-
 14 ble entity shall return any trust funds not
 15 awarded or obligated to eligible students to the
 16 Secretary for distribution to other grantees
 17 under this chapter.”; and

18 (6) in subsection (g) (as redesignated by para-
 19 graph (2))—

20 (A) in paragraph (2), by striking “1993”
 21 and inserting “2000”; and

22 (B) in paragraph (4), by striking “early
 23 intervention component required under section
 24 404D” and inserting “activities required under
 25 section 404D(a)”.

1 (f) REPEAL OF 21ST CENTURY SCHOLAR CERTIFI-
2 CATES.—Chapter 2 of subpart 2 of part A of title IV (20
3 U.S.C. 1070a–21 et seq.) is further amended—

4 (1) by striking section 404F; and

5 (2) by redesignating sections 404G and 404H
6 as sections 404F and 404G, respectively.

7 (g) AUTHORIZATION OF APPROPRIATIONS.—Section
8 404G (as redesignated by subsection (f)) (20 U.S.C.
9 1070a–28) is amended by striking “\$200,000,000 for fis-
10 cal year 1999” and all that follows through the period and
11 inserting “such sums as may be necessary for fiscal year
12 2006 and each of the 5 succeeding fiscal years.”.

13 (h) CONFORMING AMENDMENTS.—Chapter 2 of sub-
14 part 2 of part A of title IV (20 U.S.C. 1070a–21 et seq.)
15 is further amended—

16 (1) in section 404A(b)(1), by striking “404H”
17 and inserting “404G”;

18 (2) in section 404B(a)(1), by striking “404H”
19 and inserting “404G”; and

20 (3) in section 404F(c) (as redesignated by sec-
21 tion 6(2)), by striking “404H” and inserting
22 “404G”.

1 **SEC. 404. ACADEMIC ACHIEVEMENT INCENTIVE SCHOLAR-**
 2 **SHIPS.**

3 Chapter 3 of subpart 2 of part A of title IV (20
 4 U.S.C. 1070a–31 et seq.) is repealed.

5 **SEC. 405. FEDERAL SUPPLEMENTAL EDUCATIONAL OPPOR-**
 6 **TUNITY GRANTS.**

7 (a) APPROPRIATIONS AUTHORIZED.—Section
 8 413A(b)(1) (20 U.S.C. 1070b(b)(1)) is amended by strik-
 9 ing “\$675,000,000 for fiscal year 1999” and all that fol-
 10 lows through the period and inserting “such sums as may
 11 be necessary for fiscal year 2006 and each of the 5 suc-
 12 ceeding fiscal years.”.

13 (b) ALLOCATION OF FUNDS.—

14 (1) ALLOCATION OF FUNDS.—Section 413D
 15 (20 U.S.C. 1070b–3) is amended—

16 (A) by striking subsection (a)(4); and

17 (B) in subsection (c)(3)(D), by striking
 18 “\$450” and inserting “\$600”.

19 (2) TECHNICAL CORRECTION.—Section
 20 413D(a)(1) (20 U.S.C. 1070b–3(a)(1)) is amended
 21 by striking “such institution” and all that follows
 22 through the period and inserting “such institution
 23 received under subsections (a) and (b) of this section
 24 for fiscal year 1999 (as such subsections were in ef-
 25 fect with respect to allocations for such fiscal
 26 year).”.

1 **SEC. 406. LEVERAGING EDUCATIONAL ASSISTANCE PART-**
 2 **nership Program.**

3 (a) APPROPRIATIONS AUTHORIZED.—Section
 4 415A(b)(1) (20 U.S.C. 1070c(b)(1)) is amended to read
 5 as follows:

6 “(1) IN GENERAL.—There are authorized to be
 7 appropriated to carry out this subpart such sums as
 8 may be necessary for fiscal year 2006 and each of
 9 the 5 succeeding fiscal years.”.

10 (b) APPLICATIONS.—Section 415C(b) (20 U.S.C.
 11 1070c–2(b)) is amended—

12 (1) in the matter preceding subparagraph (A)
 13 of paragraph (2), by striking “not in excess of
 14 \$5,000 per academic year” and inserting “not to ex-
 15 ceed the lesser of \$12,500 or the student’s cost of
 16 attendance per academic year”; and

17 (2) by striking paragraph (10) and inserting
 18 the following:

19 “(10) provides notification to eligible students
 20 that such grants are—

21 “(A) Leveraging Educational Assistance
 22 Partnership grants; and

23 “(B) funded by the Federal Government,
 24 the State, and other contributing partners.”.

1 (c) GRANTS FOR ACCESS AND PERSISTENCE.—Sec-
 2 tion 415E (20 U.S.C. 1070c–3a) is amended to read as
 3 follows:

4 **“SEC. 415E. GRANTS FOR ACCESS AND PERSISTENCE.**

5 “(a) PURPOSE.—It is the purpose of this section to
 6 expand college access and increase college persistence by
 7 making allotments to States to enable the States to—

8 “(1) expand and enhance partnerships with in-
 9 stitutions of higher education, early information and
 10 intervention, mentoring, or outreach programs, pri-
 11 vate corporations, philanthropic organizations, and
 12 other interested parties in order to—

13 “(A) carry out activities under this section;
 14 and

15 “(B) provide coordination and cohesion
 16 among Federal, State, and local governmental
 17 and private efforts that provide financial assist-
 18 ance to help low-income students attend an in-
 19 stitution of higher education;

20 “(2) provide need-based grants for access and
 21 persistence to eligible low-income students;

22 “(3) provide early notification to low-income
 23 students of the students’ eligibility for financial aid;
 24 and

1 “(4) encourage increased participation in early
2 information and intervention, mentoring, or outreach
3 programs.

4 “(b) ALLOTMENTS TO STATES.—

5 “(1) IN GENERAL.—

6 “(A) AUTHORIZATION.—From sums re-
7 served under section 415A(b)(2) for each fiscal
8 year, the Secretary shall make an allotment to
9 each State that submits an application for an
10 allotment in accordance with subsection (c) to
11 enable the State to pay the Federal share, as
12 described in paragraph (2), of the cost of car-
13 rying out the activities under subsection (d).

14 “(B) DETERMINATION OF ALLOTMENT.—
15 In making allotments under subparagraph (A),
16 the Secretary shall consider the following:

17 “(i) CONTINUATION OF AWARD.—If a
18 State continues to meet the specifications
19 established in such State’s application
20 under subsection (c), the Secretary shall
21 make an allotment to such State that is
22 not less than the allotment made to such
23 State for the previous fiscal year.

24 “(ii) PRIORITY.—The Secretary shall
25 give priority in making allotments to

1 States that meet the requirements de-
 2 scribed in paragraph (2)(A)(ii).

3 “(2) FEDERAL SHARE.—

4 “(A) IN GENERAL.—The Federal share
 5 under this section shall be determined in ac-
 6 cordance with the following:

7 “(i) If a State applies for an allot-
 8 ment under this section in partnership
 9 with—

10 “(I) any number of degree grant-
 11 ing institutions of higher education in
 12 the State whose combined full-time
 13 enrollment represents less than a ma-
 14 jority of all students attending institu-
 15 tions of higher education in the State;
 16 and

17 “(II)(aa) philanthropic organiza-
 18 tions that are located in, or that pro-
 19 vide funding in, the State; or

20 “(bb) private corporations that
 21 are located in, or that do business in,
 22 the State,

23 then the Federal share of the cost of car-
 24 rying out the activities under subsection
 25 (d) shall be equal to 50 percent.

1 “(ii) If a State applies for an allot-
 2 ment under this section in partnership
 3 with—

4 “(I) any number of degree grant-
 5 ing institutions of higher education in
 6 the State whose combined full-time
 7 enrollment represents a majority of all
 8 students attending institutions of
 9 higher education in the State; and

10 “(II)(aa) philanthropic organiza-
 11 tions that are located in, or that pro-
 12 vide funding in, the State; or

13 “(bb) private corporations that
 14 are located in, or that do business in,
 15 the State,

16 then the Federal share of the cost of car-
 17 rying out the activities under subsection
 18 (d) shall be equal to 57 percent.

19 “(B) NON-FEDERAL SHARE.—

20 “(i) IN GENERAL.—The non-Federal
 21 share under this section may be provided
 22 in cash or in kind, fully evaluated and in
 23 accordance with this subparagraph.

24 “(ii) IN KIND CONTRIBUTION.—For
 25 the purpose of calculating the non-Federal

1 share under this section, an in kind con-
 2 tribution is a non-cash award that has
 3 monetary value, such as provision of room
 4 and board and transportation passes, and
 5 that helps a student meet the cost of at-
 6 tendance.

7 “(iii) EFFECT ON NEED ANALYSIS.—

8 For the purpose of calculating a student’s
 9 need in accordance with part F of this
 10 title, an in-kind contribution described in
 11 clause (ii) shall be considered a resource
 12 and not a reduction in the cost of attend-
 13 ance.

14 “(c) APPLICATION FOR ALLOTMENT.—

15 “(1) IN GENERAL.—

16 “(A) SUBMISSION.—A State that desires
 17 to receive an allotment under this section on be-
 18 half of a partnership described in paragraph (3)
 19 shall submit an application to the Secretary at
 20 such time, in such manner, and containing such
 21 information as the Secretary may require.

22 “(B) CONTENT.—An application submitted
 23 under subparagraph (A) shall include the fol-
 24 lowing:

1 “(i) A description of the State’s plan
2 for using the allotted funds.

3 “(ii) Assurances that the State will
4 provide the non-Federal share from State,
5 institutional, philanthropic, or private
6 funds, of not less than the required share
7 of the cost of carrying out the activities
8 under subsection (d), as determined under
9 subsection (b), in accordance with the fol-
10 lowing:

11 “(I) The State shall specify the
12 methods by which non-Federal share
13 funds will be paid and include provi-
14 sions designed to ensure that funds
15 provided under this section will be
16 used to supplement, and not supplant,
17 Federal and non-Federal funds avail-
18 able for carrying out the activities
19 under this title.

20 “(II) A State that uses non-Fed-
21 eral funds to create or expand existing
22 partnerships with nonprofit organiza-
23 tions or community-based organiza-
24 tions in which such organizations
25 match State funds for student schol-

1 arships, may apply such matching
2 funds from such organizations toward
3 fulfilling the State's non-Federal
4 share obligation under this clause.

5 “(iii) Assurances that early informa-
6 tion and intervention, mentoring, or out-
7 reach programs exist within the State or
8 that there is a plan to make such pro-
9 grams widely available.

10 “(iv) A description of the organiza-
11 tional structure that the State has in place
12 to administer the activities under sub-
13 section (d), including a description of the
14 system the State will use to track the par-
15 ticipation of students who receive grants
16 under this section to degree completion.

17 “(v) Assurances that the State has a
18 method in place, such as acceptance of the
19 automatic zero expected family contribu-
20 tion determination described in section
21 479, to identify eligible low-income stu-
22 dents and award State grant aid to such
23 students.

24 “(vi) Assurances that the State will
25 provide notification to eligible low-income

1 students that grants under this section
2 are—

3 “(I) Leveraging Educational As-
4 sistance Partnership Grants; and

5 “(II) funded by the Federal Gov-
6 ernment, the State, and other contrib-
7 uting partners.

8 “(2) STATE AGENCY.—The State agency that
9 submits an application for a State under section
10 415C(a) shall be the same State agency that sub-
11 mits an application under paragraph (1) for such
12 State.

13 “(3) PARTNERSHIP.—In applying for an allot-
14 ment under this section, the State agency shall apply
15 for the allotment in partnership with—

16 “(A) not less than 1 public and 1 private
17 degree granting institution of higher education
18 that are located in the State, if applicable;

19 “(B) new or existing early information and
20 intervention, mentoring, or outreach programs
21 located in the State; and

22 “(C) not less than 1—

23 “(i) philanthropic organization located
24 in, or that provides funding in, the State;
25 or

1 “(ii) private corporation located in, or
2 that does business in, the State.

3 “(4) ROLES OF PARTNERS.—

4 “(A) STATE AGENCY.—A State agency
5 that is in a partnership receiving an allotment
6 under this section—

7 “(i) shall—

8 “(I) serve as the primary admin-
9 istrative unit for the partnership;

10 “(II) provide or coordinate non-
11 Federal share funds, and coordinate
12 activities among partners;

13 “(III) encourage each institution
14 of higher education in the State to
15 participate in the partnership;

16 “(IV) make determinations and
17 early notifications of assistance as de-
18 scribed under subsection (d)(2); and

19 “(V) annually report to the Sec-
20 retary on the partnership’s progress
21 in meeting the purpose of this section;
22 and

23 “(ii) may provide early information
24 and intervention, mentoring, or outreach
25 programs.

1 “(B) DEGREE GRANTING INSTITUTIONS OF
 2 HIGHER EDUCATION.—A degree granting insti-
 3 tution of higher education that is in a partner-
 4 ship receiving an allotment under this section—

5 “(i) shall—

6 “(I) recruit and admit partici-
 7 pating qualified students and provide
 8 such additional institutional grant aid
 9 to participating students as agreed to
 10 with the State agency;

11 “(II) provide support services to
 12 students who receive grants for access
 13 and persistence under this section and
 14 are enrolled at such institution; and

15 “(III) assist the State in the
 16 identification of eligible students and
 17 the dissemination of early notifica-
 18 tions of assistance as agreed to with
 19 the State agency; and

20 “(ii) may provide funding for early in-
 21 formation and intervention, mentoring, or
 22 outreach programs or provide such services
 23 directly.

24 “(C) PROGRAMS.—An early information
 25 and intervention, mentoring, or outreach pro-

1 gram that is in a partnership receiving an allot-
 2 ment under this section shall provide direct
 3 services, support, and information to partici-
 4 pating students.

5 “(D) PHILANTHROPIC ORGANIZATION OR
 6 PRIVATE CORPORATION.—A philanthropic orga-
 7 nization or private corporation that is in a part-
 8 nership receiving an allotment under this sec-
 9 tion shall provide funds for grants for access
 10 and persistence for participating students, or
 11 provide funds or support for early information
 12 and intervention, mentoring, or outreach pro-
 13 grams.

14 “(d) AUTHORIZED ACTIVITIES.—

15 “(1) IN GENERAL.—

16 “(A) ESTABLISHMENT OF PARTNER-
 17 SHIP.—Each State receiving an allotment under
 18 this section shall use the funds to establish a
 19 partnership to award grants for access and per-
 20 sistence to eligible low-income students in order
 21 to increase the amount of financial assistance
 22 such students receive under this subpart for un-
 23 dergraduate education expenses.

24 “(B) AMOUNT OF GRANTS.—

1 “(i) PARTNERSHIPS WITH INSTITU-
2 TIONS SERVING LESS THAN A MAJORITY
3 OF STUDENTS IN THE STATE.—

4 “(I) IN GENERAL.—In the case
5 where a State receiving an allotment
6 under this section is in a partnership
7 described in subsection (b)(2)(B)(i),
8 the amount of a grant for access and
9 persistence awarded by such State
10 shall be not less than the amount that
11 is equal to the average undergraduate
12 tuition and mandatory fees at 4-year
13 public institutions of higher education
14 in the State where the student resides
15 (less any other Federal or State spon-
16 sored grant amount, work study
17 amount, and scholarship amount re-
18 ceived by the student), and such
19 amount shall be used toward the cost
20 of attendance at an institution of
21 higher education, located in the State,
22 that is a partner in the partnership.

23 “(II) COST OF ATTENDANCE.—A
24 State that has a program, apart from
25 the partnership under this section, of

1 providing eligible low-income students
2 with grants that are equal to the aver-
3 age undergraduate tuition and man-
4 datory fees at 4-year public institu-
5 tions of higher education in the State,
6 may increase the amount of access
7 and persistence grants awarded by
8 such State up to an amount that is
9 equal to the average cost of attend-
10 ance at 4-year public institutions of
11 higher education in the State (less
12 any other Federal or State sponsored
13 grant amount, work study amount,
14 and scholarship amount received by
15 the student).

16 “(ii) PARTNERSHIP WITH INSTITU-
17 TIONS SERVING THE MAJORITY OF STU-
18 DENTS IN THE STATE.—In the case where
19 a State receiving an allotment under this
20 section is in a partnership described in
21 subsection (b)(2)(B)(ii), the amount of an
22 access and persistence grant awarded by
23 such State shall be not more than an
24 amount that is equal to the average at 4-
25 year public institutions of higher education

1 in the State where the student resides (less
2 any other Federal or State sponsored
3 grant amount, college work study amount,
4 and scholarship amount received by the
5 student), and such amount shall be used
6 by the student to attend an institution of
7 higher education, located in the State, that
8 is a partner in the partnership.

9 “(2) EARLY NOTIFICATION.—

10 “(A) IN GENERAL.—Each State receiving
11 an allotment under this section shall annually
12 notify low-income students, such as students
13 who are eligible to receive a free lunch under
14 the school lunch program established under the
15 Richard B. Russell National School Lunch Act,
16 in grade 7 through grade 12 in the State, of
17 the students’ potential eligibility for student fi-
18 nancial assistance, including an access and per-
19 sistence grant, to attend an institution of high-
20 er education.

21 “(B) CONTENT OF NOTICE.—The notifica-
22 tion under subparagraph (A)—

23 “(i) shall include—

24 “(I) information about early in-
25 formation and intervention, men-

1 toring, or outreach programs available
2 to the student;

3 “(II) information that a stu-
4 dent’s candidacy for an access and
5 persistence grant is enhanced through
6 participation in an early information
7 and intervention, mentoring, or out-
8 reach program;

9 “(III) an explanation that stu-
10 dent and family eligibility and partici-
11 pation in other Federal means-tested
12 programs may indicate eligibility for
13 an access and persistence grant and
14 other student aid programs;

15 “(IV) a nonbinding estimation of
16 the total amount of financial aid a
17 low-income student with a similar in-
18 come level may expect to receive, in-
19 cluding an estimation of the amount
20 of an access and persistence grant
21 and an estimation of the amount of
22 grants, loans, and all other available
23 types of aid from the major Federal
24 and State financial aid programs;

1 “(V) an explanation that in order
2 to be eligible for an access and per-
3 sistence grant, at a minimum, a stu-
4 dent shall—

5 “(aa) meet the requirement
6 under paragraph (3);

7 “(bb) graduate from sec-
8 ondary school; and

9 “(cc) enroll at an institution
10 of higher education that is a
11 partner in the partnership;

12 “(VI) information on any addi-
13 tional requirements (such as a student
14 pledge detailing student responsibil-
15 ities) that the State may impose for
16 receipt of an access and persistence
17 grant under this section; and

18 “(VII) instructions on how to
19 apply for an access and persistence
20 grant and an explanation that a stu-
21 dent is required to file a Free Applica-
22 tion for Federal Student Aid author-
23 ized under section 483(a) to be eligi-
24 ble for such grant and assistance from

1 other Federal and State financial aid
 2 programs; and

3 “(ii) may include a disclaimer that ac-
 4 cess and persistence grant awards are con-
 5 tingent upon—

6 “(I) a determination of the stu-
 7 dent’s financial eligibility at the time
 8 of the student’s enrollment at an in-
 9 stitution of higher education that is a
 10 partner in the partnership;

11 “(II) annual Federal and State
 12 appropriations; and

13 “(III) other aid received by the
 14 student at the time of the student’s
 15 enrollment at an institution of higher
 16 education that is a partner in the
 17 partnership.

18 “(3) ELIGIBILITY.—In determining which stu-
 19 dents are eligible to receive access and persistence
 20 grants, the State shall ensure that each such student
 21 meets not less than 1 of the following:

22 “(A) Meets not less than 2 of the following
 23 criteria, with priority given to students meeting
 24 all of the following criteria:

1 “(i) Has an expected family contribu-
2 tion equal to zero (as described in section
3 479) or a comparable alternative based
4 upon the State’s approved criteria in sec-
5 tion 415C(b)(4).

6 “(ii) Has qualified for a free lunch, or
7 at the State’s discretion a reduced price
8 lunch, under the school lunch program es-
9 tablished under the Richard B. Russell Na-
10 tional School Lunch Act.

11 “(iii) Qualifies for the State’s max-
12 imum undergraduate award, as authorized
13 under section 415C(b).

14 “(iv) Is participating in, or has par-
15 ticipated in, a Federal, State, institutional,
16 or community early information and inter-
17 vention, mentoring, or outreach program,
18 as recognized by the State agency admin-
19 istering activities under this section.

20 “(B) Is receiving, or has received, an ac-
21 cess and persistence grant under this section, in
22 accordance with paragraph (5).

23 “(4) GRANT AWARD.—Once a student, includ-
24 ing those students who have received early notifica-
25 tion under paragraph (2) from the State, applies for

1 admission to an institution that is a partner in the
2 partnership, files a Free Application for Federal
3 Student Aid and any related existing State form,
4 and is determined eligible by the State under para-
5 graph (3), the State shall—

6 “(A) issue the student a preliminary access
7 and persistence grant award certificate with
8 tentative award amounts; and

9 “(B) inform the student that payment of
10 the access and persistence grant award
11 amounts is subject to certification of enrollment
12 and award eligibility by the institution of higher
13 education.

14 “(5) DURATION OF AWARD.—An eligible stu-
15 dent that receives an access and persistence grant
16 under this section shall receive such grant award for
17 each year of such student’s undergraduate education
18 in which the student remains eligible for assistance
19 under this title, including pursuant to section
20 484(c), and remains financially eligible as deter-
21 mined by the State, except that the State may im-
22 pose reasonable time limits to baccalaureate degree
23 completion.

24 “(e) USE OF FUNDS FOR ADMINISTRATIVE COSTS
25 PROHIBITED.—A State that receives an allotment under

1 this section shall not use any of the allotted funds to pay
2 administrative costs associated with any of the authorized
3 activities described in subsection (d).

4 “(f) STATUTORY AND REGULATORY RELIEF FOR IN-
5 STITUTIONS OF HIGHER EDUCATION.—The Secretary
6 may grant, upon the request of an institution of higher
7 education that is in a partnership described in subsection
8 (b)(2)(B)(ii) and that receives an allotment under this sec-
9 tion, a waiver for such institution from statutory or regu-
10 latory requirements that inhibit the ability of the institu-
11 tion to successfully and efficiently participate in the activi-
12 ties of the partnership.

13 “(g) APPLICABILITY RULE.—The provisions of this
14 subpart which are not inconsistent with this section shall
15 apply to the program authorized by this section.

16 “(h) MAINTENANCE OF EFFORT REQUIREMENT.—
17 Each State receiving an allotment under this section for
18 a fiscal year shall provide the Secretary with an assurance
19 that the aggregate amount expended per student or the
20 aggregate expenditures by the State, from funds derived
21 from non-Federal sources, for the authorized activities de-
22 scribed in subsection (d) for the preceding fiscal year were
23 not less than the amount expended per student or the ag-
24 gregate expenditure by the State for the activities for the
25 second preceding fiscal year.

1 “(i) SPECIAL RULE.—Notwithstanding subsection
 2 (h), for purposes of determining a State’s share of the cost
 3 of the authorized activities described in subsection (d), the
 4 State shall consider only those expenditures from non-
 5 Federal sources that exceed the State’s total expenditures
 6 for need-based grants, scholarships, and work-study as-
 7 sistance for fiscal year 1999 (including any such assist-
 8 ance provided under this subpart).

9 “(j) REPORTS.—Not later than 3 years after the date
 10 of enactment of the Higher Education Amendments of
 11 2005 and annually thereafter, the Secretary shall submit
 12 a report describing the activities and the impact of the
 13 partnerships under this section to the authorizing commit-
 14 tees.”.

15 **SEC. 407. SPECIAL PROGRAMS FOR STUDENTS WHOSE FAM-**
 16 **ILIES ARE ENGAGED IN MIGRANT AND SEA-**
 17 **SONAL FARMWORK.**

18 Section 418A (20 U.S.C. 1070d–2) is amended—

19 (1) in subsection (a), by adding “(including
 20 providing outreach and technical assistance)” after
 21 “maintain and expand”;

22 (2) in subsection (b)—

23 (A) in paragraph (1)(B)(i), by striking
 24 “parents” and inserting “immediate family”;

1 (B) in paragraph (3)(B), by inserting “(in-
 2 cluding preparation for college entrance exami-
 3 nations)” after “college program”;

4 (C) in paragraph (5), by striking “weekly”;

5 (D) in paragraph (7), by striking “and”
 6 after the semicolon;

7 (E) in paragraph (8), by striking the pe-
 8 riod at the end and inserting “; and”; and

9 (F) by adding at the end the following:

10 “(9) other activities to improve persistence and
 11 retention in postsecondary education.”;

12 (3) in subsection (c)—

13 (A) in paragraph (1)—

14 (i) in subparagraph (B)—

15 (I) in the matter preceding clause
 16 (i), by inserting “to improve place-
 17 ment, persistence, and retention in
 18 postsecondary education” after “serv-
 19 ices”; and

20 (II) in clause (i), by striking
 21 “and career” and inserting “career,
 22 and economic education or personal fi-
 23 nance”;

24 (ii) in subparagraph (E), by striking
 25 “and” after the semicolon;

1 (iii) by redesignating subparagraph
2 (F) as subparagraph (G); and

3 (iv) by inserting after subparagraph
4 (E) the following:

5 “(F) internships; and”; and

6 (B) in paragraph (2)—

7 (i) in subparagraph (A), by striking
8 “and” after the semicolon;

9 (ii) in subparagraph (B), by striking
10 the period at the end and inserting “, and
11 coordinating such services, assistance, and
12 aid with other non-program services, as-
13 sistance, and aid, including services, assist-
14 ance, and aid provided by community-
15 based organizations, which may include
16 mentoring and guidance; and”; and

17 (iii) by adding at the end the fol-
18 lowing:

19 “(C) for students attending 2-year institu-
20 tions of higher education, encouraging the stu-
21 dents to transfer to 4-year institutions of higher
22 education, where appropriate, and monitoring
23 the rate of transfer of such students.”;

24 (4) in subsection (e), by striking “section
25 402A(c)(1)” and inserting “section 402A(c)(2)”;

1 (5) in subsection (f)—

2 (A) in paragraph (1), by striking
3 “\$150,000” and inserting “\$180,000”; and

4 (B) in paragraph (2), by striking
5 “\$150,000” and inserting “\$180,000”; and

6 (6) in subsection (h)—

7 (A) in paragraph (1), by striking
8 “\$15,000,000 for fiscal year 1999” and all that
9 follows through the period and inserting “such
10 sums as may be necessary for fiscal year 2006
11 and each of the 5 succeeding fiscal years.”; and

12 (B) in paragraph (2), by striking
13 “\$5,000,000 for fiscal year 1999” and all that
14 follows through the period and inserting “such
15 sums as may be necessary for fiscal year 2006
16 and each of the 5 succeeding fiscal years.”.

17 **SEC. 408. ROBERT C. BYRD HONORS SCHOLARSHIP PRO-**
18 **GRAM.**

19 Section 419K (20 U.S.C. 1070d–41) is amended by
20 striking “\$45,000,000 for fiscal year 1999” and all that
21 follows through the period and inserting “such sums as
22 may be necessary for fiscal year 2006 and each of the 5
23 succeeding fiscal years.”.

1 **SEC. 409. CHILD CARE ACCESS MEANS PARENTS IN**
 2 **SCHOOL.**

3 (a) MINIMUM GRANT.—Section 419N(b)(2)(B) (20
 4 U.S.C. 1070e(b)(2)(B)) is amended—

5 (1) by striking “A grant” and inserting the fol-
 6 lowing:

7 “(i) IN GENERAL.—Except as pro-
 8 vided in clause (ii), a grant”; and

9 (2) by adding at the end the following:

10 “(ii) INCREASE TRIGGER.—For any
 11 fiscal year for which the amount appro-
 12 priated under the authority of subsection
 13 (g) is equal to or greater than
 14 \$20,000,000, a grant under this section
 15 shall be awarded in an amount that is not
 16 less than \$30,000.”.

17 (b) DEFINITION OF LOW-INCOME STUDENT.—Para-
 18 graph (7) of section 419N(b) (20 U.S.C. 1070e(b)) is
 19 amended to read as follows:

20 “(7) DEFINITION OF LOW-INCOME STUDENT.—
 21 For the purpose of this section, the term ‘low-income
 22 student’ means a student who—

23 “(A) is eligible to receive a Federal Pell
 24 Grant for the fiscal year for which the deter-
 25 mination is made; or

1 “(B) would otherwise be eligible to receive
 2 a Federal Pell Grant for the fiscal year for
 3 which the determination is made, except that
 4 the student fails to meet the requirements of—

5 “(i) section 401(c)(1) because the stu-
 6 dent is enrolled in a graduate or first pro-
 7 fessional course of study; or

8 “(ii) section 484(a)(5) because the
 9 student is in the United States for a tem-
 10 porary purpose.”.

11 (c) AUTHORIZATION OF APPROPRIATIONS.—Section
 12 419N(g) (20 U.S.C. 1070e(g)) is amended by striking
 13 “\$45,000,000 for fiscal year 1999” and all that follows
 14 through the period and inserting “such sums as may be
 15 necessary for fiscal year 2006 and each of the 5 suc-
 16 ceeding fiscal years.”.

17 **SEC. 410. LEARNING ANYTIME ANYWHERE PARTNERSHIPS.**

18 Subpart 8 of part A of title IV (20 U.S.C. 1070f et
 19 seq.) is repealed.

20 **PART B—FEDERAL FAMILY EDUCATION LOAN**
 21 **PROGRAM**

22 **SEC. 421. EXTENSION OF AUTHORITIES.**

23 (a) FEDERAL INSURANCE LIMITATIONS.—Section
 24 424(a) (20 U.S.C. 1074(a)) is amended—

1 (1) by striking “2004” and inserting “2012”;

2 and

3 (2) by striking “2008” and inserting “2016”.

4 (b) GUARANTEED LOANS.—Section 428(a)(5) (20
5 U.S.C. 1078(a)(5)) is amended—

6 (1) by striking “2004” and inserting “2012”;

7 and

8 (2) by striking “2008” and inserting “2016”.

9 (3) CONSOLIDATION LOANS.—Section 428C(e)
10 (20 U.S.C. 1078–3(e)) is amended by striking
11 “2004” and inserting “2012”.

12 **SEC. 422. FEDERAL PAYMENTS TO REDUCE STUDENT IN-**
13 **TEREST COSTS.**

14 Section 428 (20 U.S.C. 1078) is amended—

15 (1) in subsection (b)(1)—

16 (A) in subparagraph (N)—

17 (i) in clause (i), by striking “or” after
18 the semicolon; and

19 (ii) by striking clause (ii) and insert-
20 ing the following:

21 “(ii) in the case of a student who is
22 studying outside the United States in a
23 program of study abroad that is approved
24 for credit by the home institution at which
25 such student is enrolled, are, at the re-

quest of the student, disbursed directly to the student by the means described in clause (i), unless such student requests that the check be endorsed, or the funds transfer be authorized, pursuant to an authorized power-of-attorney; or

“(iii) in the case of a student who is studying outside the United States in a program of study at an eligible foreign institution, are, at the request of the foreign institution, disbursed directly to the student by the means described in clause (i);” and

(B) in subparagraph (Y)(i)(III), by inserting “, except that, if requested by an institution of higher education, the lender shall confirm such status through use of the National Student Loan Data System” before the semicolon; and

(2) in subsection (c)(2)(H)(i), by striking “preclaims” and inserting “default aversion”.

SEC. 423. FEDERAL CONSOLIDATION LOANS.

Section 428C(b)(1) (20 U.S.C. 1078–3(b)(1)) is amended—

1 (1) in subparagraph (E), by striking “and”
2 after the semicolon;

3 (2) by redesignating subparagraph (F) as sub-
4 paragraph (G); and

5 (3) by inserting after subparagraph (E) the fol-
6 lowing:

7 “(F) that the lender will disclose, in a
8 clear and conspicuous manner, to borrowers
9 who consolidate loans made under part E of
10 this title—

11 “(i) that once the borrower adds the
12 borrower’s Federal Perkins Loan to a Fed-
13 eral Consolidation Loan, the borrower will
14 lose all interest-free periods that would
15 have been available, such as those periods
16 when no interest accrues on the Federal
17 Perkins Loan while the borrower is en-
18 rolled in school at least half-time, during
19 the grace period, and during periods when
20 the borrower’s student loan repayments
21 are deferred;

22 “(ii) that the borrower will no longer
23 be eligible for loan forgiveness of Federal
24 Perkins Loans under any provision of sec-
25 tion 465; and

1 “(iii) the occupations described in sec-
 2 tion 465(a)(2), individually and in detail,
 3 for which the borrower will lose eligibility
 4 for Federal Perkins Loan forgiveness;
 5 and”.

6 **SEC. 424. DEFAULT REDUCTION PROGRAM.**

7 Section 428F (20 U.S.C. 1078–6) is amended by
 8 adding at the end the following:

9 “(c) FINANCIAL AND ECONOMIC LITERACY.—Where
 10 appropriate as determined by the institution of higher edu-
 11 cation in which a borrower is enrolled, each program de-
 12 scribed in subsection (b) shall include making available fi-
 13 nancial and economic education materials for the bor-
 14 rower, including making the materials available before,
 15 during, or after rehabilitation of a loan.”.

16 **SEC. 425. REPORTS TO CREDIT BUREAUS AND INSTITU-**
 17 **TIONS OF HIGHER EDUCATION.**

18 Section 430A(a) (20 U.S.C. 1080a(a)) is amended—

19 (1) in the first sentence, by striking “with cred-
 20 it bureau organizations” and inserting “with each
 21 consumer reporting agency that compiles and main-
 22 tains files on consumers on a nationwide basis (as
 23 defined in section 603(q) of the Fair Credit Report-
 24 ing Act (15 U.S.C. 1681a(q))”;

1 (2) by redesignating paragraphs (1), (2), and
 2 (3) as paragraphs (2), (4), and (5), respectively;

3 (3) by inserting before paragraph (2) (as redesi-
 4 gnated by paragraph (2)), the following:

5 “(1) the type of loan made, insured, or guaran-
 6 teed under this title;”;

7 (4) by inserting after paragraph (2) (as redesign-
 8 nated by paragraph (2)), the following:

9 “(3) information concerning the repayment sta-
 10 tus of the loan, which information shall be included
 11 in the file of the borrower, except that nothing in
 12 this paragraph shall be construed to affect any oth-
 13 erwise applicable provision of the Fair Credit Re-
 14 porting Act (15 U.S.C. 1681 et seq.)”;

15 (5) in paragraph (4) (as redesignated by para-
 16 graph (2)), by striking “and” after the semicolon;

17 (6) in paragraph (5) (as redesignated by para-
 18 graph (2)), by striking the period and inserting “;
 19 and”; and

20 (7) by adding at the end the following:

21 “(6) any other information required to be re-
 22 ported by Federal law.”.

23 **SEC. 426. COMMON FORMS AND FORMATS.**

24 Section 432(m)(1)(D)(i) (20 U.S.C.
 25 1082(m)(1)(D)(i)) is amended by adding at the end the

1 following: “Unless otherwise notified by the Secretary,
 2 each institution of higher education that participates in
 3 the program under this part or part D may use a master
 4 promissory note for loans under this part and part D.”.

5 **SEC. 427. STUDENT LOAN INFORMATION BY ELIGIBLE BOR-**
 6 **ROWERS.**

7 Section 433 (20 U.S.C. 1083) is amended by adding
 8 at the end the following:

9 “(f) BORROWER INFORMATION AND PRIVACY.—Each
 10 eligible lender, guaranty agency, secondary market, con-
 11 sumer reporting agency, or student loan servicer partici-
 12 pating in a program under this part shall not use, release,
 13 sell, transfer, or give any student information, including
 14 the name, address, social security number, or amount bor-
 15 rowed by a borrower or a borrower’s parent, for any pur-
 16 pose that is not related to the processing of, the collecting
 17 of, the servicing of, or other activities associated with the
 18 prevention of default on, loans under this title.

19 “(g) LOAN BENEFIT DISCLOSURES.—

20 “(1) IN GENERAL.—Each eligible lender, hold-
 21 er, or servicer of a loan made, insured, or guaran-
 22 teed under this part shall provide the borrower with
 23 information on the loan benefit repayment options
 24 the lender, holder, or servicer offer, including infor-
 25 mation on reductions in interest rates—

1 “(A) by repaying the loan by automatic
2 payroll or checking account deduction;

3 “(B) by completing a program of on-time
4 repayment; and

5 “(C) under any other interest rate reduc-
6 tion program.

7 “(2) INFORMATION.—Such borrower informa-
8 tion shall include—

9 “(A) any limitations on such options;

10 “(B) explicit information on the reasons a
11 borrower may lose eligibility for such an option;

12 “(C) examples of the impact the interest
13 rate reductions will have on a borrower’s time
14 for repayment and amount of repayment;

15 “(D) upon the request of the borrower, the
16 effect the reductions in interest rates will have
17 with respect to the borrower’s payoff amount
18 and time for repayment; and

19 “(E) information on borrower recertifi-
20 cation requirements.”.

21 **SEC. 428. CONSUMER EDUCATION INFORMATION.**

22 Part B (20 U.S.C. 1071 et seq.) is amended by in-
23 serting after section 433 (20 U.S.C. 1083) the following:

1 **“SEC. 433A. CONSUMER EDUCATION INFORMATION.**

2 “Each guaranty agency participating in a program
3 under this part working with the institutions of higher
4 education served by such guaranty agency (or in the case
5 of an institution of higher education that provides loans
6 exclusively through part D, the institution working with
7 a guaranty agency or with the Secretary) shall develop and
8 make available a quality educational program and mate-
9 rials to provide training for students in budgeting and fi-
10 nancial management, including debt management and
11 other aspects of financial literacy, such as the cost of using
12 very high interest loans to pay for postsecondary edu-
13 cation, particularly as budgeting and financial manage-
14 ment relates to student loan programs authorized by this
15 title. Nothing in this section shall be construed to prohibit
16 a guaranty agency from using an existing program or ex-
17 isting materials to meet the requirement of this section.
18 The activities described in this section shall be considered
19 default reduction activities for the purposes of section
20 422.”.

21 **SEC. 429. DEFINITION OF ELIGIBLE LENDER.**

22 Section 435(d)(2) (20 U.S.C. 1085(d)(2)) is amended
23 by striking subparagraph (F) and inserting the following:

24 “(F) shall use the proceeds from special al-
25 lowance payments, interest payments from bor-
26 rowers, proceeds from the sale of a loan made,

insured, or guaranteed under this part, and all other proceeds related to such a loan that are furnished to the eligible institution or any entity affiliated (directly or indirectly) with the eligible institution, for need based grant programs, except that such payments and proceeds may be used for reasonable reimbursement for direct administrative expenses;”.

SEC. 430. REPAYMENT BY THE SECRETARY OF LOANS OF BANKRUPT, DECEASED, OR DISABLED BORROWERS; TREATMENT OF BORROWERS ATTENDING SCHOOLS THAT FAIL TO PROVIDE A REFUND, ATTENDING CLOSED SCHOOLS, OR FALSELY CERTIFIED AS ELIGIBLE TO BORROW.

Section 437 (20 U.S.C. 1087) is amended—

(1) in the section heading, by striking “CLOSED SCHOOLS OR FALSELY CERTIFIED AS ELIGIBLE TO BORROW” and inserting “SCHOOLS THAT FAIL TO PROVIDE A REFUND, ATTENDING CLOSED SCHOOLS, OR FALSELY CERTIFIED AS ELIGIBLE TO BORROW”; and

(2) in the first sentence of subsection (c)(1), by inserting “or was falsely certified as a result of a

1 crime of identity theft” after “falsely certified by the
2 eligible institution”.

3 **PART C—FEDERAL WORK-STUDY PROGRAMS**

4 **SEC. 441. AUTHORIZATION OF APPROPRIATIONS.**

5 Section 441(b) (42 U.S.C. 2751(b)) is amended by
6 striking “\$1,000,000 for fiscal year 1999” and all that
7 follows through the period and inserting “such sums as
8 may be necessary for fiscal year 2006 and each of the 5
9 succeeding fiscal years.”.

10 **SEC. 442. ALLOWANCE FOR BOOKS AND SUPPLIES.**

11 Section 442(c)(4)(D) (42 U.S.C. 2752(c)(4)(D)) is
12 amended by striking “\$450” and inserting “\$600”.

13 **SEC. 443. GRANTS FOR FEDERAL WORK-STUDY PROGRAMS.**

14 Section 443(b)(2) (42 U.S.C. 2753(b)(2)) is amend-
15 ed—

16 (1) by striking subparagraph (A);

17 (2) by redesignating subparagraphs (B) and
18 (C) as subparagraphs (A) and (B), respectively; and

19 (3) in subparagraph (A) (as redesignated by
20 paragraph (2)), by striking “this subparagraph if”
21 and all that follows through “institution;” and in-
22 serting “this subparagraph if—

23 “(i) the Secretary determines that en-
24 forcing this subparagraph would cause
25 hardship for students at the institution; or

1 “(ii) the institution certifies to the
 2 Secretary that 15 percent or more of its
 3 total full-time enrollment participates in
 4 community service activities described in
 5 section 441(c) or tutoring and literacy ac-
 6 tivities described in subsection (d) of this
 7 section;”.

8 **SEC. 444. JOB LOCATION AND DEVELOPMENT PROGRAMS.**

9 Section 446(a)(1) (42 U.S.C. 2756(a)(1)) is amended
 10 by striking “\$50,000” and inserting “\$75,000”.

11 **SEC. 445. WORK COLLEGES.**

12 Section 448(f) (42 U.S.C. 2756b(f)) is amended by
 13 striking “5,000,000 for fiscal year 1999” and all that fol-
 14 lows through the period and inserting “such sums as may
 15 be necessary for fiscal year 2006 and each of the 5 suc-
 16 ceeding fiscal years.”.

17 **PART D—WILLIAM D. FORD FEDERAL DIRECT**
 18 **LOAN PROGRAM**

19 **SEC. 451. FUNDS FOR ADMINISTRATIVE EXPENSES.**

20 Section 458 (20 U.S.C. 1087h) is amended—

21 (1) in subsection (a)(1), in the matter following
 22 subparagraph (B), by striking “\$617,000,000” and
 23 all that follows through the period and inserting
 24 “\$904,000,000 in fiscal year 2006, \$943,000,000 in
 25 fiscal year 2007, \$983,000,000 in fiscal year 2008,

1 \$1,023,000,000 in fiscal year 2009, \$1,064,000,000
2 in fiscal year 2010, and \$1,106,000,000 in fiscal
3 year 2011.”; and

4 (2) in subsection (c)(1), by striking subpara-
5 graphs (A) through (E) and inserting the following:

6 “(A) for fiscal year 2006, shall not exceed
7 \$271,000,000;

8 “(B) for fiscal year 2007, shall not exceed
9 \$293,000,000;

10 “(C) for fiscal year 2008, shall not exceed
11 \$315,000,000;

12 “(D) for fiscal year 2009, shall not exceed
13 \$336,000,000;

14 “(E) for fiscal year 2010, shall not exceed
15 \$356,000,000; and

16 “(F) for fiscal year 2011, shall not exceed
17 \$378,000,000.”.

18 **PART E—FEDERAL PERKINS LOANS**

19 **SEC. 461. PROGRAM AUTHORITY.**

20 Section 461(b) (20 U.S.C. 1087aa(b)) is amended—

21 (1) in paragraph (1), by striking
22 “\$250,000,000 for fiscal year 1999” and all that
23 follows through the period and inserting “such sums
24 as may be necessary for fiscal year 2006 and each
25 of the 5 succeeding fiscal years.”; and

1 (2) in paragraph (2),—

2 (A) by striking “fiscal year 2003” and in-
3 serting “fiscal year 2009”; and

4 (B) by striking “October 1, 2003” and in-
5 serting “October 1, 2009”.

6 **SEC. 462. TERMS OF LOANS.**

7 Section 464 (20 U.S.C. 1087dd) is amended—

8 (1) in subsection (b)(1), by striking “for an ad-
9 ditional loan under this part” and inserting “for ad-
10 ditional aid under this title”; and

11 (2) in subsection (e), by striking “written”.

12 **SEC. 463. CANCELLATION OF LOANS FOR CERTAIN PUBLIC**
13 **SERVICE.**

14 Section 465(a) (20 U.S.C. 1087ee(a)) is amended—

15 (1) in paragraph (2)—

16 (A) in subparagraph (B), by striking
17 “Head Start Act which” and inserting “Head
18 Start Act, or in a prekindergarten or child care
19 program that is licensed or regulated by the
20 State, that”;

21 (B) in subparagraph (H), by striking “or”
22 after the semicolon;

23 (C) in subparagraph (I), by striking the
24 period and inserting a semicolon; and

1 (D) by inserting before the matter fol-
 2 lowing subparagraph (I) (as amended by sub-
 3 paragraph (C)) the following:

4 “(J) as a full-time faculty member at a tribally
 5 controlled college or university, as that term is de-
 6 fined in section 2 of the Tribally Controlled College
 7 or University Assistance Act of 1978; or

8 “(K) as a librarian, if the librarian has a mas-
 9 ter’s degree in library science and is employed in—

10 “(i) an elementary school or secondary
 11 school library that is eligible for assistance
 12 under title I of the Elementary and Secondary
 13 Education Act of 1965; or

14 “(ii) a public library that serves a geo-
 15 graphic area that contains 1 or more schools el-
 16 igible for assistance under title I of the Elemen-
 17 tary and Secondary Education Act of 1965.”;
 18 and

19 (2) in paragraph (3)(A)(i), by striking “or (I)”
 20 and inserting “(I), (J), or (K)”.

21 **PART F—NEED ANALYSIS**

22 **SEC. 471. COST OF ATTENDANCE.**

23 Section 472 (20 U.S.C. 1087ll) is amended—

24 (1) by striking paragraph (4) and inserting the
 25 following:

1 “(4) for less than half-time students (as deter-
 2 mined by the institution), tuition and fees and an al-
 3 lowance for only—

4 “(A) books, supplies, and transportation
 5 (as determined by the institution);

6 “(B) dependent care expenses (determined
 7 in accordance with paragraph (8)); and

8 “(C) room and board costs (determined in
 9 accordance with paragraph (3)), except that a
 10 student may receive an allowance for such costs
 11 under this subparagraph for not more than 3
 12 semesters or the equivalent, of which not more
 13 than 2 semesters or the equivalent may be con-
 14 secutive;”;

15 (2) in paragraph (11), by striking “and” after
 16 the semicolon;

17 (3) in paragraph (12), by striking the period
 18 and inserting “; and”; and

19 (4) by adding at the end the following:

20 “(13) at the option of the institution, for a stu-
 21 dent in a program requiring professional licensure or
 22 certification, the one time cost of obtaining the first
 23 professional credentials (as determined by the insti-
 24 tution).”.

1 **SEC. 472. DEFINITIONS.**

2 (a) DEFINITIONS.—Section 480 (20 U.S.C. 1087vv)
3 is amended—

4 (1) in subsection (f)—

5 (A) in paragraph (1), by inserting “quali-
6 fied education benefits (except as provided in
7 paragraph (3)),” after “tax shelters,”; and

8 (B) by adding at the end the following:

9 “(3) A qualified education benefit shall not be consid-
10 ered an asset of a student for purposes of section 475.

11 “(4) In determining the value of assets in a deter-
12 mination of need under this title (other than for subpart
13 4 of part A), the value of a qualified education benefit
14 shall be—

15 “(A) the refund value of any tuition credits or
16 certificates purchased under a qualified education
17 benefit; and

18 “(B) in the case of a program in which con-
19 tributions are made to an account that is established
20 for the purpose of meeting the qualified higher edu-
21 cation expenses of the designated beneficiary of the
22 account, the current balance of such account.

23 “(5) In this subsection:

24 “(A) QUALIFIED EDUCATION BENEFIT.—The
25 term ‘qualified education benefit’ means—

1 “(i) a qualified tuition program (as defined
 2 in section 529(b)(1)(A) of the Internal Revenue
 3 Code of 1986) or other prepaid tuition plan of-
 4 fered by a State; and

5 “(ii) a Coverdell education savings account
 6 (as defined in section 530(b)(1) of the Internal
 7 Revenue Code of 1986).

8 “(B) QUALIFIED HIGHER EDUCATION EX-
 9 PENSES.—The term ‘qualified higher education ex-
 10 penses’ has the meaning given the term in section
 11 529(e) of the Internal Revenue Code of 1986.”; and
 12 (2) in subsection (j)—

13 (A) in the subsection heading, by striking
 14 “; TUITION PREPAYMENT PLANS”;

15 (B) by striking paragraph (2);

16 (C) by redesignating paragraph (3) as
 17 paragraph (2); and

18 (D) by inserting after paragraph (2) (as
 19 redesignated by subparagraph (C)) the fol-
 20 lowing paragraph:

21 “(3) Notwithstanding paragraph (1) and section 472,
 22 assistance not received under this title may be excluded
 23 from both estimated financial assistance and cost of at-
 24 tendance, if that assistance is designated by the State pro-
 25 viding that assistance to offset a specific component of the

1 cost of attendance. If that assistance is excluded from esti-
 2 mated financial assistance or cost of attendance, that as-
 3 sistance shall be excluded from both calculations.”.

4 (b) EFFECTIVE DATE.—The amendments made by
 5 this section shall apply with respect to determinations of
 6 need under part F of title IV for academic years beginning
 7 on or after July 1, 2006.

8 **PART G—GENERAL PROVISIONS RELATING TO**
 9 **STUDENT ASSISTANCE**

10 **SEC. 481. DEFINITION OF ACADEMIC AND AWARD YEAR.**

11 The second sentence of section 481(a)(2) (20 U.S.C.
 12 1088(a)(2)) is amended by inserting “and that measures
 13 program length in credit hours or clock hours” after “bac-
 14 calaureate degree”.

15 **SEC. 482. COMPLIANCE CALENDAR.**

16 Section 482 (20 U.S.C. 1089) is amended by adding
 17 at the end the following:

18 “(a) COMPLIANCE CALENDAR.—Prior to the begin-
 19 ning of each award year, the Secretary shall provide to
 20 institutions of higher education a list of all the reports
 21 and disclosures required under this Act. The list shall in-
 22 clude—

23 “(1) the date each report or disclosure is re-
 24 quired to be completed and to be submitted, made
 25 available, or disseminated;

1 “(2) the required recipients of each report or
2 disclosure;

3 “(3) any required method for transmittal or
4 dissemination of each report or disclosure;

5 “(4) a description of the content of each report
6 or disclosure sufficient to allow the institution to
7 identify the appropriate individuals to be assigned
8 the responsibility for such report or disclosure;

9 “(5) references to the statutory authority, ap-
10 plicable regulations, and current guidance issued by
11 the Secretary regarding each report or disclosure;
12 and

13 “(6) any other information which is pertinent to
14 the content or distribution of the report or disclo-
15 sure.”.

16 **SEC. 483. FORMS AND REGULATIONS.**

17 Section 483 (20 U.S.C. 1090) is amended—

18 (1) by striking subsections (a) and (b), and in-
19 serting the following:

20 “(a) COMMON FINANCIAL AID FORM DEVELOPMENT
21 AND PROCESSING.—

22 “(1) IN GENERAL.—The Secretary, in coopera-
23 tion with representatives of agencies and organiza-
24 tions involved in student financial assistance, shall
25 produce, distribute, and process free of charge com-

mon financial reporting forms as described in this subsection to be used to determine the need and eligibility of a student for financial assistance under parts A through E of this title (other than under subpart 4 of part A). The forms shall be made available to applicants in both paper and electronic formats and shall be referred to (except as otherwise provided in this subsection) as the ‘Free Application for Federal Student Aid’, or ‘FAFSA’.

“(2) PAPER FORMAT.—

“(A) IN GENERAL.—Subject to subparagraph (C), the Secretary shall produce, distribute, and process common forms in paper format to meet the requirements of paragraph (1). The Secretary shall develop a common paper form for applicants who do not meet the requirements of or do not wish to use the process described in subparagraph (B).

“(B) EZ FAFSA.—

“(i) IN GENERAL.—The Secretary shall develop and use a simplified paper application form, to be known as the ‘EZ FAFSA’, to be used for applicants meeting the requirements under section 479(c).

1 “(ii) REDUCED DATA REQUIRE-
2 MENTS.—The EZ FAFSA shall permit an
3 applicant to submit for purposes of deter-
4 mining financial need and eligibility, only
5 the data elements required to make a de-
6 termination of student eligibility and
7 whether the applicant meets the require-
8 ments of section 479(c).

9 “(iii) STATE DATA.—The Secretary
10 shall include on the EZ FAFSA such data
11 items as may be necessary to award State
12 financial assistance, as provided under
13 paragraph (5), except the Secretary shall
14 not include a State’s data if that State
15 does not permit its applicants for State as-
16 sistance to use the EZ FAFSA.

17 “(iv) FREE AVAILABILITY AND PROC-
18 ESSING.—The provisions of paragraph (6)
19 shall apply to the EZ FAFSA, and the
20 data collected by means of the EZ FAFSA
21 shall be available to institutions of higher
22 education, guaranty agencies, and States
23 in accordance with paragraph (9).

1 “(v) TESTING.—The Secretary shall
2 conduct appropriate field testing on the
3 EZ FAFSA.

4 “(C) PHASING OUT THE FULL PAPER
5 FORM FOR STUDENTS WHO DO NOT MEET THE
6 REQUIREMENTS OF THE EZ FAFSA.—

7 “(i) IN GENERAL.—The Secretary
8 shall make all efforts to encourage all ap-
9 plicants to utilize the electronic forms de-
10 scribed in paragraph (3).

11 “(ii) PHASEOUT OF FULL PAPER
12 FAFSA.—Not later than 5 years after the
13 date of enactment of the Higher Education
14 Amendments of 2005, to the extent prac-
15 ticable, the Secretary shall phase out the
16 printing of the long paper form created
17 under subparagraph (A) and used by appli-
18 cants who do not meet the requirements of
19 the EZ FAFSA described in subparagraph
20 (B).

21 “(iii) AVAILABILITY OF FULL PAPER
22 FAFSA.—

23 “(I) IN GENERAL.—Both prior to
24 and after the phaseout described in
25 clause (ii), the Secretary shall main-

tain on the Internet printable versions of the paper forms described in subparagraphs (A) and (B).

“(II) ACCESSIBILITY.—The printable versions described in subclause (I) shall be made easily accessible and downloadable to students on the same Web site used to provide students with the common electronic forms described in paragraph (3).

“(III) SUBMISSION OF FORMS.—The Secretary shall conduct a study to determine the feasibility of using downloaded forms to ensure sufficient quality to meet the processing requirements of this section. Following the completion of the study, the Secretary shall enable, to the extent practicable, students to submit a form described in this clause that is downloaded from the Internet and printed, in order to meet the filing requirements of this section and to receive financial assistance under this title.

“(iv) USE OF SAVINGS.—

1 “(I) IN GENERAL.—The Sec-
2 retary shall utilize any realized sav-
3 ings accrued by phasing out the full
4 paper FAFSA and moving more appli-
5 cants to the common electronic forms,
6 to improve access to the electronic
7 forms for applicants meeting the re-
8 quirements of section 479(c).

9 “(II) REPORT.—The Secretary
10 shall report annually to the author-
11 izing committees on—

12 “(aa) the steps taken to im-
13 prove access to the common elec-
14 tronic forms for applicants meet-
15 ing the requirements of section
16 479(c); and

17 “(bb) the phaseout of the
18 long common paper form de-
19 scribed in subparagraph (A).

20 “(3) ELECTRONIC FORMAT.—

21 “(A) IN GENERAL.—The Secretary shall
22 produce, distribute, and process common forms
23 in electronic format and make such forms avail-
24 able through a broadly accessible website to
25 meet the requirements of paragraph (1). The

1 Secretary shall develop common electronic
2 forms for applicants who do not meet the re-
3 quirements of subparagraph (B). The Secretary
4 shall include on the common electronic forms
5 space for information that needs to be sub-
6 mitted from the applicant to be eligible for
7 State financial assistance, as provided under
8 paragraph (5), except the Secretary shall not
9 require applicants to complete data required by
10 any State other than the applicant's State of
11 residence. The Secretary shall use all available
12 technology to ensure that a student using a
13 common electronic form answers only the min-
14 imum number of questions necessary.

15 “(B) SIMPLIFIED ELECTRONIC APPLICA-
16 TIONS.—

17 “(i) IN GENERAL.—The Secretary
18 shall develop and use a simplified elec-
19 tronic application form to be used by appli-
20 cants meeting the requirements of section
21 479(c) and an additional, separate sim-
22 plified electronic application form to be
23 used by applicants meeting the require-
24 ments under section 479(b).

1 “(ii) REDUCED DATA REQUIRE-
2 MENTS.—The simplified electronic applica-
3 tion forms shall permit an applicant to
4 submit for purposes of determining finan-
5 cial need and eligibility, only the data ele-
6 ments required to make a determination of
7 student eligibility and whether the appli-
8 cant meets the requirements under sub-
9 section (b) or (c) of section 479.

10 “(iii) STATE DATA.—The Secretary
11 shall include on the simplified electronic
12 application forms such data items as may
13 be necessary to award State financial as-
14 sistance, as provided under paragraph (5),
15 except the Secretary shall not require ap-
16 plicants to complete data required by any
17 State other than the applicant’s State of
18 residence and shall not include a State’s
19 data if such State does not permit its ap-
20 plicants for State assistance to use the
21 simplified electronic application form de-
22 scribed in this subparagraph.

23 “(iv) FREE AVAILABILITY AND PROC-
24 ESSING.—The provisions of paragraph (6)
25 shall apply to the simplified electronic ap-

1 plication forms, and the data collected by
2 means of the simplified electronic applica-
3 tion forms shall be available to institutions
4 of higher education, guaranty agencies,
5 and States in accordance with paragraph
6 (9).

7 “(v) TESTING.—The Secretary shall
8 conduct appropriate field testing on the
9 forms developed under this subparagraph.

10 “(C) USE OF FORMS.—Nothing in this
11 subsection shall be construed to prohibit the use
12 of the forms developed by the Secretary pursu-
13 ant to this paragraph by an eligible institution,
14 eligible lender, a guaranty agency, a State
15 grant agency, a private computer software pro-
16 vider, a consortium of such entities, or such
17 other entity as the Secretary may designate.
18 Data collected by the forms shall be used only
19 for the application, award, and administration
20 of aid awarded under this title, State aid, or aid
21 awarded by eligible institutions or such entities
22 as the Secretary may designate. No data col-
23 lected by such electronic version of the forms
24 shall be used for making final aid awards under
25 this title until such data have been processed by

1 the Secretary or a contractor or designee of the
2 Secretary, except as may be permitted under
3 this title.

4 “(D) PRIVACY.—The Secretary shall en-
5 sure that data collection under this paragraph
6 complies with section 552a of title 5, United
7 States Code, and that any entity using the elec-
8 tronic version of the forms developed by the
9 Secretary pursuant to this paragraph shall
10 maintain reasonable and appropriate adminis-
11 trative, technical, and physical safeguards to
12 ensure the integrity and confidentiality of the
13 information, and to protect against security
14 threats, or unauthorized uses or disclosures of
15 the information provided on the electronic
16 version of the forms.

17 “(E) SIGNATURE.—Notwithstanding any
18 other provision of this Act, the Secretary may
19 permit an electronic form under this paragraph
20 to be submitted without a signature, if a signa-
21 ture is subsequently submitted by the applicant
22 or if the applicant uses a personal identification
23 number provided by the Secretary under sub-
24 paragraph (F).

1 “(F) PERSONAL IDENTIFICATION NUM-
2 BERS AUTHORIZED.—The Secretary is author-
3 ized to assign to applicants personal identifica-
4 tion numbers—

5 “(i) to enable the applicants to use
6 such numbers as a signature for purposes
7 of completing a form under this paragraph;
8 and

9 “(ii) for any purpose determined by
10 the Secretary to enable the Secretary to
11 carry out this title.

12 “(4) STREAMLINED REAPPLICATION PROC-
13 ESS.—

14 “(A) IN GENERAL.—The Secretary shall
15 develop streamlined reapplication forms and
16 processes, including both paper and electronic
17 reapplication processes, consistent with the re-
18 quirements of this subsection, for an applicant
19 who applies for financial assistance under this
20 title in the next succeeding academic year sub-
21 sequent to an academic year in which such ap-
22 plicant applied for financial assistance under
23 this title.

1 “(B) MECHANISMS FOR REAPPLICATION.—

2 The Secretary shall develop appropriate mecha-
3 nisms to support reapplication.

4 “(C) IDENTIFICATION OF UPDATED

5 DATA.—The Secretary shall determine, in co-
6 operation with States, institutions of higher
7 education, and agencies and organizations in-
8 volved in student financial assistance, the data
9 elements that can be updated from the previous
10 academic year’s application.

11 “(D) REDUCED DATA AUTHORIZED.—

12 Nothing in this title shall be construed as lim-
13 iting the authority of the Secretary to reduce
14 the number of data elements required of re-
15 applicants.

16 “(E) ZERO FAMILY CONTRIBUTION.—Ap-

17 plicants determined to have a zero family con-
18 tribution pursuant to section 479(c) shall not
19 be required to provide any financial data in a
20 reapplication form, except that which is nec-
21 essary to determine eligibility under such sec-
22 tion.

23 “(5) STATE REQUIREMENTS.—

24 “(A) IN GENERAL.—Except as provided in
25 paragraphs (2)(B)(iii), (3)(A), and (3)(B)(iii),

1 the Secretary shall include on the forms devel-
2 oped under this subsection, such State-specific
3 data items as the Secretary determines are nec-
4 essary to meet State requirements for need-
5 based State aid. Such items shall be selected in
6 consultation with State agencies in order to as-
7 sist in the awarding of State financial assist-
8 ance in accordance with the terms of this sub-
9 section, except as provided in paragraphs
10 (2)(B)(iii), (3)(A), and (3)(B)(iii). The number
11 of such data items shall not be less than the
12 number included on the form for the 2005–
13 2006 award year unless a State notifies the
14 Secretary that the State no longer requires
15 those data items for the distribution of State
16 need-based aid.

17 “(B) ANNUAL REVIEW.—The Secretary
18 shall conduct an annual review process to deter-
19 mine which data items the States require to
20 award need-based State aid.

21 “(C) ENCOURAGE USE OF FORMS.—The
22 Secretary shall encourage States to take such
23 steps as are necessary to encourage the use of
24 simplified application forms, including those de-
25 scribed in paragraphs (2)(B) and (3)(B), for

1 applicants who meet the requirements of sub-
 2 section (b) or (c) of section 479.

3 “(D) FEDERAL REGISTER NOTICE.—The
 4 Secretary shall publish, on an annual basis, a
 5 notice in the Federal Register requiring States
 6 to inform the Secretary—

7 “(i) if the State plans to use the
 8 FAFSA to collect data to determine eligi-
 9 bility for State need-based financial aid;

10 “(ii) of the State-specific data that
 11 the State requires for delivery of State
 12 need-based financial aid; and

13 “(iii) if the State agency is unable to
 14 permit applicants to utilize the simplified
 15 application forms described in paragraph
 16 (2)(B) or (3)(B).

17 “(E) STATE NOTIFICATION TO THE SEC-
 18 RETARY.—

19 “(i) IN GENERAL.—Each State agency
 20 shall notify the Secretary—

21 “(I) whether the State permits
 22 an applicant to file a form described
 23 in paragraph (2)(B) or (3)(B) for
 24 purposes of determining eligibility for
 25 State need-based financial aid; and

1 “(II) of the State-specific data
2 that the State requires for delivery of
3 State need-based financial aid.

4 “(ii) ACCEPTANCE OF FORMS.—If a
5 State does not permit an applicant to file
6 a form described in paragraph (2)(B) or
7 (3)(B) for purposes of determining eligi-
8 bility for State need-based financial aid,
9 then the State shall notify the Secretary if
10 it is not permitted to do so because of
11 State law or agency policy. The notification
12 shall include an acknowledgment that
13 State-specific questions will not be included
14 on a form described in paragraph (2)(B)
15 or (3)(B).

16 “(iii) LACK OF NOTIFICATION BY THE
17 STATE.—If a State does not notify the
18 Secretary pursuant to clause (i), the Sec-
19 retary shall—

20 “(I) permit residents of that
21 State to complete simplified applica-
22 tion forms under paragraphs (2)(B)
23 and (3)(B); and

24 “(II) not require any resident of
25 such State to complete any data pre-

1 viously required by that State under
2 this section.

3 “(F) RESTRICTION.—The Secretary shall
4 not require applicants to complete any financial
5 or non-financial data that are not required by
6 the applicant’s State, except as may be required
7 for applicants who use the paper forms de-
8 scribed in subparagraphs (A) and (B) of para-
9 graph (2).

10 “(6) CHARGES TO STUDENTS AND PARENTS
11 FOR USE OF FORMS PROHIBITED.—The common fi-
12 nancial reporting forms prescribed by the Secretary
13 under this subsection shall be produced, distributed,
14 and processed by the Secretary, and no parent or
15 student shall be charged a fee by the Secretary, a
16 contractor, a third-party servicer or private software
17 provider, or any other public or private entity for the
18 collection, processing, or delivery of financial aid
19 through the use of such forms. The need and eligi-
20 bility of a student for financial assistance under
21 parts A through E (other than under subpart 4 of
22 part A) may be determined only by using a form de-
23 veloped by the Secretary pursuant to this subsection.
24 No student may receive financial assistance under
25 parts A through E (other than under subpart 4 of

1 part A), except by use of a form developed by the
 2 Secretary pursuant to this subsection. No data col-
 3 lected on a paper or electronic form, worksheet, or
 4 other document for which a fee is charged shall be
 5 used to complete the form prescribed under this sub-
 6 section. No person, commercial entity, or other enti-
 7 ty shall request, obtain, or utilize an applicant's per-
 8 sonal identification number assigned under para-
 9 graph (3)(F) for purposes of submitting an applica-
 10 tion on an applicant's behalf.

11 “(7) APPLICATION PROCESSING CYCLE.—The
 12 Secretary shall—

13 “(A) enable students to submit forms cre-
 14 ated under this subsection in order to meet the
 15 filing requirements of this section and in order
 16 to receive financial assistance from programs
 17 under this title; and

18 “(B) enable students to submit forms cre-
 19 ated under this subsection and initiate the proc-
 20 essing of such forms under this subsection, as
 21 early as practicable prior to January 1 of the
 22 student's planned year of enrollment.

23 “(8) EARLY ESTIMATES.—The Secretary shall
 24 permit an applicant to complete a form described in
 25 this subsection in the years prior to enrollment in

1 order to obtain from the Secretary a nonbinding es-
2 timate of the applicant's expected family contribu-
3 tion, as defined in section 473. Such applicant shall
4 be permitted to update information submitted on a
5 form described in this subsection using the process
6 required under paragraph (4).

7 “(9) DISTRIBUTION OF DATA.—Institutions of
8 higher education, guaranty agencies, and States
9 shall receive, without charge, the data collected by
10 the Secretary using the form developed pursuant to
11 this subsection for the purposes of processing loan
12 applications and determining need and eligibility for
13 institutional and State financial aid awards. Entities
14 designated by institutions of higher education, guar-
15 anty agencies, or States to receive such data shall be
16 subject to all the requirements of this section, unless
17 such requirements are waived by the Secretary.

18 “(10) THIRD PARTY SERVICERS AND PRIVATE
19 SOFTWARE PROVIDERS.—To the extent practicable
20 and in a timely manner, the Secretary shall provide,
21 to private organizations and consortia that develop
22 software used by institutions of higher education for
23 the administration of funds under this title, all the
24 necessary specifications that the organizations and
25 consortia must meet for the software the organiza-

1 tions and consortia develop, produce, and distribute
2 (including any diskette, modem, or network commu-
3 nications) which are so used. The specifications shall
4 contain record layouts for required data. The Sec-
5 retary shall develop in advance of each processing
6 cycle an annual schedule for providing such speci-
7 fications. The Secretary, to the extent practicable,
8 shall use means of providing such specifications, in-
9 cluding conferences and other meetings, outreach,
10 and technical support mechanisms (such as training
11 and printed reference materials). The Secretary
12 shall, from time to time, solicit from such organiza-
13 tions and consortia means of improving the support
14 provided by the Secretary.

15 “(11) PARENT’S SOCIAL SECURITY NUMBER
16 AND BIRTH DATE.—The Secretary is authorized to
17 include on the form developed under this subsection
18 space for the social security number and birth date
19 of parents of dependent students seeking financial
20 assistance under this title.”;

21 (2) by redesignating subsections (c) through (e)
22 as subsections (b) through (d), respectively; and

23 (3) in subsection (c) (as redesignated by para-
24 graph (2)), by striking “that is authorized” and all
25 that follows through the period at the end and in-

1 serting “or other appropriate provider of technical
2 assistance and information on postsecondary edu-
3 cational services that is authorized under section
4 663(a) of the Individuals with Disabilities Education
5 Act. Not later than 2 years after the date of enact-
6 ment of the Higher Education Amendments of 2005,
7 the Secretary shall test and implement, to the extent
8 practicable, a toll-free telephone based system to
9 permit applicants who meet the requirements of
10 479(c) to submit an application over such system.”.

11 **SEC. 484. STUDENT ELIGIBILITY.**

12 Section 484 (20 U.S.C. 1091) is amended—

13 (1) in subsection (d), by adding at the end the
14 following:

15 “(4) The student shall be determined by the in-
16 stitution of higher education as having the ability to
17 benefit from the education or training offered by the
18 institution of higher education, upon satisfactory
19 completion of 6 credit hours or the equivalent
20 coursework that are applicable toward a degree or
21 certificate offered by the institution of higher edu-
22 cation.”;

23 (2) by striking subsection (l) and inserting the
24 following:

1 “(1) COURSES OFFERED THROUGH DISTANCE EDU-
2 CATION.—

3 “(1) RELATION TO CORRESPONDENCE
4 COURSES.—

5 “(A) IN GENERAL.—A student enrolled in
6 a course of instruction at an institution of high-
7 er education that is offered predominately
8 through distance education and leads to a rec-
9 ognized certificate, or associate, baccalaureate,
10 or graduate degree, conferred by such institu-
11 tion, shall not be considered to be enrolled in
12 correspondence courses.

13 “(B) EXCEPTION.—An institution of high-
14 er education referred to in subparagraph (A)
15 shall not include an institution or school de-
16 scribed in section 3(3)(C) of the Carl D. Per-
17 kins Vocational and Technical Education Act of
18 1998.

19 “(2) RESTRICTION OR REDUCTIONS OF FINAN-
20 CIAL AID.—A student’s eligibility to receive grants,
21 loans, or work assistance under this title shall be re-
22 duced if a financial aid officer determines under the
23 discretionary authority provided in section 479A
24 that telecommunications instruction results in a sub-

1 stantially reduced cost of attendance to such stu-
2 dent.

3 “(3) SPECIAL RULE.—For award years prior to
4 the date of enactment of this subsection, the Sec-
5 retary shall not take any compliance, disallowance,
6 penalty, or other action against a student or an eli-
7 gible institution when such action arises out of such
8 institution’s prior award of student assistance under
9 this title if the institution demonstrates to the satis-
10 faction of the Secretary that its course of instruction
11 would have been in conformance with the require-
12 ments of this subsection.

13 “(4) DEFINITION.—In this subsection, the term
14 ‘distance education’ has the meaning given the term
15 in section 102.”; and

16 (3) in subsection (r)—

17 (A) in the matter preceding the table, by
18 inserting “of a controlled substance, while such
19 student is enrolled in an institution of higher
20 education and receiving financial assistance
21 under this title,” after “the possession”;

22 (B) in the column heading of the first
23 table, by inserting “**while the student is**
24 **enrolled in an institution of higher**
25 **education and receiving financial as-**

1 **sistance under this title”** after **“possession of a controlled substance”**; and

2
3 (C) by redesignating paragraph (3) as paragraph (4); and

4
5 (D) by inserting after paragraph (2) the following:

6
7 “(2) INTERACTION WITH FAFSA.—The Secretary shall not require a student to provide information regarding the student’s possession of a controlled substance on the Free Application for Federal Student Aid described in section 483(a).”.

12 **SEC. 485. STATUTE OF LIMITATIONS AND STATE COURT**
13 **JUDGMENTS.**

14 Section 484A (20 U.S.C. 1091a) is amended—

15 (1) in subsection (b)—

16 (A) in paragraph (1), by striking “and” after the semicolon;

17
18 (B) in paragraph (2), by striking the period and inserting “; and”; and

19
20 (C) by adding at the end the following:

21 “(3) in collecting any obligation arising from a loan made under part E of this title, an institution of higher education that has an agreement with the Secretary pursuant to section 463(a) shall not be

1 subject to a defense raised by any borrower based on
 2 a claim of infancy.”; and

3 (2) by adding at the end the following:

4 “(d) SPECIAL RULE.—This section shall not apply in
 5 the case of a student who is deceased or to a deceased
 6 student’s estate or the estate of such student’s family. If
 7 a student is deceased, then the student’s estate or the es-
 8 tate of the student’s family shall not be required to repay
 9 any financial assistance under this title , including interest
 10 paid on the student’s behalf, collection costs, or other
 11 charges specified in this title.”.

12 **SEC. 486. INSTITUTIONAL REFUNDS.**

13 Section 484B (20 U.S.C. 1091B) is amended—

14 (1) in subsection (a)—

15 (A) in the matter preceding clause (i) of
 16 paragraph (2)(A), by striking “a leave of” and
 17 inserting “1 or more leaves of”; and

18 (B) in paragraph (3)(C)(i), by striking
 19 “grant or loan assistance under this title” and
 20 inserting “grant assistance under subparts 1
 21 and 3 of part A, or loan assistance under parts
 22 B, D, and E,”;

23 (2) in subsection (b), by adding at the end the
 24 following:

1 “(4) TIME FRAME.—Not later than 45 days
2 after the date of an institution’s determination that
3 a student withdrew from the institution, the institu-
4 tion shall—

5 “(A) return the amount required under
6 paragraph (1);

7 “(B) notify the student of the applicable
8 requirements regarding the overpayment of
9 grant and loan assistance and

10 “(C) notify the student of the student’s eli-
11 gibility for post-withdrawal disbursements.”;

12 (3) in subsection (c)(2)—

13 (A) by striking the period at the end and
14 inserting “; or”;

15 (B) by striking “may determine the appro-
16 priate” and inserting “may determine—

17 “(A) the appropriate”; and

18 (C) by adding at the end the following:

19 “(B) that the requirements of this section
20 do not apply to the student.”; and

21 (4) in subsection (d)(2), by striking “clock
22 hours—” and all that follows through the period and
23 inserting “clock hours scheduled to be completed by
24 the student in that period as of the day the student
25 withdrew.”.

1 **SEC. 487. INSTITUTIONAL AND FINANCIAL ASSISTANCE FOR**
2 **STUDENTS.**

3 Section 485 (20 U.S.C. 1092) is amended—

4 (1) in subsection (a)—

5 (A) in paragraph (1)—

6 (i) in subparagraph (N), by striking
7 “and” after the semicolon;

8 (ii) in subparagraph (O), by striking
9 the period and inserting “; and”; and

10 (iii) by adding at the end the fol-
11 lowing:

12 “(P) student body diversity at the institution,
13 including information on the percentage of enrolled,
14 full-time students who are—

15 “(i) male;

16 “(ii) female;

17 “(iii) from a low-income background; and

18 “(iv) a self-identified member of a major
19 racial or ethnic group.”;

20 (B) by striking paragraph (4) and insert-
21 ing the following:

22 “(4) For purposes of this section, institutions
23 may—

24 “(A) exclude from the information dis-
25 closed in accordance with subparagraph (L) of
26 paragraph (1) the completion or graduation

1 rates of students who leave school to serve in
2 the Armed Forces, on official church missions,
3 or with a recognized foreign aid service of the
4 Federal Government; or

5 “(B) in cases where 20 percent or more of
6 the students described in subparagraph (A) are
7 excluded in a reporting year, include in such in-
8 formation on the completion or graduation rates
9 of students described in subparagraph (A) by
10 excluding from the calculation described in
11 paragraph (3) the time period such students
12 were not enrolled due to their service in the
13 Armed Forces, on official church missions, or
14 with a recognized foreign aid service of the Fed-
15 eral Government.”; and

16 (C) by adding at the end the following:

17 “(7) The information disclosed under subparagraph
18 (L) of paragraph (1), or reported under subsection (e),
19 shall include information disaggregated by gender, by each
20 major racial and ethnic subgroup, and by low-income
21 background status as measured by Federal Pell Grant eli-
22 gibility, if the number of students in such subgroup or
23 with such status is sufficient to yield statistically reliable
24 information and reporting would not reveal personally
25 identifiable information about an individual student. If

1 such number is not sufficient for such purposes, then the
2 institution shall note that the institution enrolled too few
3 of such students to so disclose or report with confidence
4 and confidentiality.”;

5 (2) in subsection (b), by adding at the end the
6 following:

7 “(3) Each eligible institution shall, during the
8 exit interview required by this subsection, provide to
9 a borrower of a loan made under part B, D, or E
10 a clear and conspicuous notice describing the general
11 effects of using a consolidation loan to discharge the
12 borrower’s student loans, including—

13 “(A) the effects of consolidation on total
14 interest to be paid, fees to be paid, and length
15 of repayment;

16 “(B) the effects of consolidation on a bor-
17 rower’s underlying loan benefits, including loan
18 forgiveness, cancellation, and deferment;

19 “(C) the ability for the borrower to prepay
20 the loan, pay on a shorter schedule, and to
21 change repayment plans, and that borrower
22 benefit programs may vary among different
23 loan holders;

24 “(D) the tax benefits for which the bor-
25 rower may be eligible; and

1 “(E) the consequences of default.”;

2 (3) in subsection (d)(2)—

3 (A) by inserting “grant assistance, as well
4 as State” after “describing State”; and

5 (B) by inserting “and other means, includ-
6 ing through the Internet” before the period at
7 the end;

8 (4) in subsection (e), by striking paragraph (3)
9 and inserting the following:

10 “(3) For purposes of this subsection, institu-
11 tions may—

12 “(A) exclude from the reporting require-
13 ments under paragraphs (1) and (2) the com-
14 pletion or graduation rates of students and stu-
15 dent athletes who leave school to serve in the
16 Armed Forces, on official church missions, or
17 with a recognized foreign aid service of the Fed-
18 eral Government; or

19 “(B) in cases where 20 percent or more of
20 the students described in subparagraph (A) are
21 excluded in a reporting year, include in such in-
22 formation on the completion or graduation rates
23 of students described in subparagraph (A) by
24 excluding from the calculation described in sub-
25 section (a)(3) the time period such students

1 were not enrolled due to their service in the
2 Armed Forces, on official church missions, or
3 with a recognized foreign aid service of the Fed-
4 eral Government.”;

5 (5) in the matter preceding subparagraph (A)
6 of subsection (f)(1), by inserting “, other than a for-
7 eign institution of higher education,” after “under
8 this title”; and

9 (6) by adding at the end the following:

10 “(h) TRANSFER OF CREDIT POLICIES.—

11 “(1) DISCLOSURE.—Each institution of higher
12 education participating in any program under this
13 title shall publicly disclose in a readable and com-
14 prehensible manner the institution’s transfer of cred-
15 it policies which shall include a statement of the in-
16 stitution’s current transfer of credit policies that in-
17 cludes, at a minimum—

18 “(A) a statement that transfer of credit
19 shall not be denied solely on the basis of the
20 agency or association that accredited such other
21 institution of higher education, if that agency
22 or association is recognized by the Secretary
23 pursuant to section 496 to be a reliable author-
24 ity as to the quality of the education or training
25 offered; and

1 “(B) a list of institutions of higher edu-
 2 cation with which the institution has established
 3 an articulation agreement.

4 “(2) RULE OF CONSTRUCTION.—Nothing in
 5 this subsection shall be construed to—

6 “(A) authorize an officer or employee of
 7 the Department to exercise any direction, su-
 8 pervision, or control over the curriculum, pro-
 9 gram of instruction, administration, or per-
 10 sonnel of any institution of higher education, or
 11 over any accrediting agency or association;

12 “(B) limit the application of the General
 13 Education Provisions Act; or

14 “(C) create any legally enforceable right on
 15 the part of a student to require an institution
 16 of higher education to accept a transfer of cred-
 17 it from another institution.”.

18 **SEC. 488. NATIONAL STUDENT LOAN DATA SYSTEM.**

19 Section 485B(a) (20 U.S.C. 1092b(a)) is amended—

20 (1) by redesignating paragraphs (6) through
 21 (10) as paragraphs (7) through (11), respectively;

22 (2) in paragraph (5) (as added by Public Law
 23 101–610), by striking “effectiveness.” and inserting
 24 “effectiveness;”; and

1 (3) by redesignating paragraph (5) (as added
2 by Public Law 101–234) as paragraph (6).

3 **SEC. 489. EARLY AWARENESS OF FINANCIAL AID ELIGI-**
4 **BILITY AND DEMONSTRATION PROGRAM TO**
5 **PROVIDE EARLY ESTIMATES AND EARLY**
6 **AWARDS OF FINANCIAL AID.**

7 Part G of title IV (20 U.S.C. 1088 et seq.) is amend-
8 ed by inserting after section 485C (20 U.S.C. 1092c) the
9 following:

10 **“SEC. 485D. EARLY AWARENESS OF FINANCIAL AID ELIGI-**
11 **BILITY AND DEMONSTRATION PROGRAM TO**
12 **PROVIDE EARLY ESTIMATES AND EARLY**
13 **AWARDS OF FINANCIAL AID.**

14 “(a) IN GENERAL.—The Secretary shall implement,
15 in cooperation with States, institutions of higher edu-
16 cation, secondary schools, middle schools, early interven-
17 tion and outreach programs under this title, other agen-
18 cies and organizations involved in student financial assist-
19 ance and college access, public libraries, community cen-
20 ters, employers, and businesses, a comprehensive system
21 of early financial aid information in order to provide stu-
22 dents and families with early information about financial
23 aid and early estimates of such students’ eligibility for fi-
24 nancial aid from multiple sources. Such system shall in-
25 clude the activities described in subsections (b) and (c).

1 “(b) COMMUNICATION OF AVAILABILITY OF AID AND
2 AID ELIGIBILITY.—

3 “(1) STUDENTS WHO RECEIVE BENEFITS.—The
4 Secretary shall—

5 “(A) make special efforts to notify stu-
6 dents who receive or are eligible to receive bene-
7 fits under Federal means-tested benefit pro-
8 grams (including the school lunch program es-
9 tablished under the Richard B. Russell National
10 School Lunch Act (42 U.S.C. 1751 et seq.), the
11 food stamp program under the Food Stamp Act
12 of 1977 (7 U.S.C. 2011 et seq.), and other such
13 programs as determined by the Secretary) of
14 such students’ potential eligibility for a max-
15 imum Federal Pell Grant under subpart 1 of
16 part A; and

17 “(B) disseminate such informational mate-
18 rials as the Secretary determines necessary.

19 “(2) MIDDLE SCHOOL STUDENTS.—The Sec-
20 retary, in cooperation with States, institutions of
21 higher education, other organizations involved in col-
22 lege access and student financial aid, middle schools,
23 and programs under this title that serve middle
24 school students, shall make special efforts to notify
25 students and their parents of the availability of fi-

1 nancial aid under this title and, in accordance with
2 subsection (c), shall provide nonbinding estimates of
3 grant, work-study, and loan aid that an individual
4 may be eligible for under this title upon completion
5 of an application form under section 483(a). The
6 Secretary shall ensure that such information is as
7 accurate as possible and that such information is
8 provided in an age-appropriate format using dissemi-
9 nation mechanisms suitable for students in middle
10 school.

11 “(3) SECONDARY SCHOOL STUDENTS.—The
12 Secretary, in cooperation with States, institutions of
13 higher education, other organizations involved in col-
14 lege access and student financial aid, secondary
15 schools, and programs under this title that serve sec-
16 ondary school students, shall make special efforts to
17 notify students in secondary school and their par-
18 ents, as early as possible but not later than such
19 students’ junior year of secondary school, of the
20 availability of financial aid under this title and, in
21 accordance with subsection (c), shall provide non-
22 binding estimates of the amounts of grant, work-
23 study, and loan aid that an individual may be eligi-
24 ble for under this title upon completion of an appli-
25 cation form under section 483(a). The Secretary

1 shall ensure that such information is as accurate as
2 possible and that such information is provided in an
3 age-appropriate format using dissemination mecha-
4 nisms suitable for students in secondary school.

5 “(4) ADULT LEARNERS.—The Secretary, in co-
6 operation with States, institutions of higher edu-
7 cation, other organizations involved in college access
8 and student financial aid, employers, workforce in-
9 vestment boards and public libraries, shall make spe-
10 cial efforts to provide individuals who would qualify
11 as independent students, as defined in section
12 480(d), with information regarding the availability
13 of financial aid under this title and, in accordance
14 with subsection (c), with nonbinding estimates of the
15 amounts of grant, work-study, and loan aid that an
16 individual may be eligible for under this title upon
17 completion of an application form under section
18 483(a). The Secretary shall ensure that such infor-
19 mation—

20 “(A) is as accurate as possible;

21 “(B) includes specific information regard-
22 ing the availability of financial aid for students
23 qualified as independent students, as defined in
24 section 480(d); and

1 “(C) uses dissemination mechanisms suit-
2 able for adult learners.

3 “(5) PUBLIC AWARENESS CAMPAIGN.—Not
4 later than 2 years after the date of enactment of the
5 Higher Education Amendments of 2005, the Sec-
6 retary, in coordination with States, institutions of
7 higher education, early intervention and outreach
8 programs under this title, other agencies and organi-
9 zations involved in student financial aid, local edu-
10 cational agencies, public libraries, community cen-
11 ters, businesses, employers, employment services,
12 workforce investment boards, and movie theaters,
13 shall implement a public awareness campaign in
14 order to increase national awareness regarding the
15 availability of financial aid under this title. The pub-
16 lic awareness campaign shall disseminate accurate
17 information regarding the availability of financial
18 aid under this title and shall be implemented, to the
19 extent practicable, using a variety of media, includ-
20 ing print, television, radio and the Internet. The
21 Secretary shall design and implement the public
22 awareness campaign based upon relevant inde-
23 pendent research and the information and dissemi-
24 nation strategies found most effective in imple-
25 menting paragraphs (1) through (4).

1 “(c) AVAILABILITY OF NONBINDING ESTIMATES OF
2 FEDERAL FINANCIAL AID ELIGIBILITY.—

3 “(1) IN GENERAL.—The Secretary, in coopera-
4 tion with States, institutions of higher education,
5 and other agencies and organizations involved in stu-
6 dent financial aid, shall provide, via a printed form
7 and the Internet or other electronic means, the capa-
8 bility for individuals to determine easily, by entering
9 relevant data, nonbinding estimates of amounts of
10 grant and loan aid an individual may be eligible for
11 under this title upon completion and processing of
12 an application and enrollment in an institution of
13 higher education.

14 “(2) DATA ELEMENTS.—The Secretary, in co-
15 operation with States, institutions of higher edu-
16 cation, and other agencies and organizations in-
17 volved in student financial aid, shall determine the
18 data elements that are necessary to create a sim-
19 plified form that individuals can use to obtain easily
20 nonbinding estimates of the amounts of grant and
21 loan aid an individual may be eligible for under this
22 title.

23 “(3) QUALIFICATION TO USE SIMPLIFIED AP-
24 PPLICATION.—The capability provided under this
25 paragraph shall include the capability to determine

1 whether the individual is eligible to submit a sim-
 2 plified application form under paragraph (2)(B) or
 3 (3)(B) of section 483(a).”.

4 **SEC. 490. COLLEGE ACCESS INITIATIVE.**

5 Part G of title IV (20 U.S.C. 1088 et seq.) is further
 6 amended by inserting after section 485D (as added by sec-
 7 tion 489) the following:

8 **“SEC. 485E. COLLEGE ACCESS INITIATIVE.**

9 “(a) STATE-BY-STATE INFORMATION.—The Sec-
 10 retary shall direct each guaranty agency with which the
 11 Secretary has an agreement under section 428(c) to pro-
 12 vide to the Secretary the information necessary for the de-
 13 velopment of Internet Web links and access for students
 14 and families to a comprehensive listing of the postsec-
 15 ondary education opportunities programs, publications,
 16 Internet Web sites, and other services available in the
 17 States for which such agency serves as the designated
 18 guarantor.

19 “(b) GUARANTY AGENCY ACTIVITIES.—

20 “(1) PLAN AND ACTIVITY REQUIRED.—Each
 21 guaranty agency with which the Secretary has an
 22 agreement under section 428(c) shall develop a plan,
 23 and undertake the activity, necessary to gather the
 24 information required under subsection (a) and to
 25 make such information available to the public and to

1 the Secretary in a form and manner prescribed by
2 the Secretary.

3 “(2) ACTIVITIES.—Each guaranty agency shall
4 undertake such activities as are necessary to pro-
5 mote access to postsecondary education for students
6 through providing information on college planning,
7 career preparation, and paying for college that is
8 limited or related to subsection (a). The guaranty
9 agency shall publicize such information and coordi-
10 nate such activities with other entities that provide
11 or distribute such information in the States for
12 which such guaranty agency serves as the designated
13 guarantor.

14 “(3) FUNDING.—The activities required by this
15 section may be funded from the guaranty agency’s
16 Operating Fund established pursuant to section
17 422B and to the extent funds remain, from earnings
18 on the restricted account established pursuant to
19 section 422(h)(4).

20 “(4) RULE OF CONSTRUCTION.—Nothing in
21 this subsection shall require a guaranty agency to
22 duplicate any efforts currently underway that meet
23 the requirements of this subsection.

24 “(c) ACCESS TO INFORMATION.—

1 “(1) SECRETARY’S RESPONSIBILITY.—The Sec-
2 retary shall ensure the availability of the information
3 provided, by the guaranty agencies in accordance
4 with this section, to students, parents, and other in-
5 terested individuals, through Web links or other
6 methods prescribed by the Secretary.

7 “(2) GUARANTY AGENCY RESPONSIBILITY.—
8 The guaranty agencies shall ensure that the infor-
9 mation required by this section is available without
10 charge in printed format for students and parents
11 requesting such information.

12 “(3) PUBLICITY.—Not later than 270 days
13 after the date of enactment of the Higher Education
14 Amendments Act of 2005, the Secretary and guar-
15 anty agencies shall publicize the availability of the
16 information required by this section, with special
17 emphasis on ensuring that populations that are tra-
18 ditionally underrepresented in postsecondary edu-
19 cation are made aware of the availability of such in-
20 formation.”.

21 **SEC. 491. PROGRAM PARTICIPATION AGREEMENTS.**

22 Section 487 (20 U.S.C. 1094) is amended—

23 (1) in subsection (a)—

24 (A) in paragraph (23), by adding at the
25 end the following:

1 “(D) An institution shall be considered in
 2 compliance with the requirements of subpara-
 3 graph (A) for any student to whom the institu-
 4 tion electronically transmits a message con-
 5 taining a voter registration form acceptable for
 6 use in the State in which the institution is lo-
 7 cated, or an Internet address where such a
 8 form can be downloaded, if such information is
 9 in an electronic message devoted solely to voter
 10 registration.”; and

11 (B) by adding at the end the following:

12 “(24) The institution will, as calculated in ac-
 13 cordance with subsection (f)(1), have not less than
 14 10 percent of its revenues from sources other than
 15 funds provided under this title, or will be subject to
 16 the sanctions described in subsection (f)(2).”;

17 (2) by redesignating subsections (d) and (e) as
 18 subsection (e) and (f), respectively;

19 (3) by inserting after subsection (c) the fol-
 20 lowing:

21 “(d) INSTITUTIONAL REQUIREMENTS FOR TEACH-
 22 OUTS.—

23 “(1) IN GENERAL.—In the event the Secretary
 24 initiates the limitation, suspension, or termination of
 25 the participation of an institution of higher edu-

1 cation in any program under this title under the au-
 2 thority of subsection (c)(1)(F) or initiates an emer-
 3 gency action for termination under the authority of
 4 subsection (c)(1)(G) and its prescribed regulations,
 5 the Secretary shall require that institution to pre-
 6 pare a teach-out plan for submission to the institu-
 7 tion's accrediting agency or association in compli-
 8 ance with section 496(c)(4), the Secretary's regula-
 9 tions on teach-out plans, and the standards of the
 10 institution's accrediting agency or association.

11 “(2) TEACH-OUT PLAN DEFINED.—In this sub-
 12 section, the term ‘teach-out plan’ means a written
 13 plan that provides for the equitable treatment of stu-
 14 dents if an institution of higher education ceases to
 15 operate before all students have completed their en-
 16 rollment at the institution, and may include, if re-
 17 quired by the institution's accrediting agency or as-
 18 sociation, an agreement between institutions for
 19 such a teach-out plan.”; and

20 (4) by adding at the end the following:

21 “(g) IMPLEMENTATION OF NONTITLE IV REVENUE
 22 REQUIREMENT.—

23 “(1) CALCULATION.—In carrying out sub-
 24 section (a)(24), an institution shall use the cash
 25 basis of accounting and count the following funds as

1 from sources of funds other than funds provided
2 under this title:

3 “(A) Funds used by students from sources
4 other than funds received under this title to pay
5 tuition, fees, and other institutional charges to
6 the institution, provided the institution can rea-
7 sonably demonstrate that such funds were used
8 for such purposes.

9 “(B) Funds used by the institution to sat-
10 isfy matching-fund requirements for programs
11 under this title.

12 “(C) Funds used by a student from sav-
13 ings plans for educational expenses established
14 by or on behalf of the student and which qualify
15 for special tax treatment under the Internal
16 Revenue Code of 1986.

17 “(D) Funds paid by a student, or on be-
18 half of a student by a party other than the in-
19 stitution, to the institution for an education or
20 training program that is not eligible for funds
21 under this title, provided that the program is
22 approved or licensed by the appropriate State
23 agency or an accrediting agency recognized by
24 the Secretary.

1 “(E) Funds generated by the institution
2 from institutional activities that are necessary
3 for the education and training of the institu-
4 tion’s students, if such activities are—

5 “(i) conducted on campus or at a fa-
6 cility under the control of the institution;

7 “(ii) performed under the supervision
8 of a member of the institution’s faculty;
9 and

10 “(iii) required to be performed by all
11 students in a specific educational program
12 at the institution.

13 “(F) Institutional aid, as follows:

14 “(i) In the case of loans made by the
15 institution, only the amount of loan repay-
16 ments received by the institution during
17 the fiscal year for which the determination
18 is made.

19 “(ii) In the case of scholarships pro-
20 vided by the institution, only those scholar-
21 ship funds provided by the institution that
22 are—

23 “(I) in the form of monetary aid
24 or tuition discounts based upon the

1 academic achievements or financial
2 need of students; and

3 “(II) disbursed during the fiscal
4 year for which the determination is
5 made from an established restricted
6 account and only to the extent that
7 the funds in that account represent
8 designated funds from an outside
9 source or income earned on those
10 funds.

11 “(iii) In the case of tuition discounts,
12 only those tuition discounts based upon the
13 academic achievement or financial need of
14 students.

15 “(2) SANCTIONS.—

16 “(A) FAILURE TO MEET REQUIREMENT
17 FOR 1 YEAR.—In addition to such other means
18 of enforcing the requirements of this title as
19 may be available to the Secretary, if an institu-
20 tion fails to meet the requirements of sub-
21 section (a)(24) in any year, the Secretary may
22 impose 1 or both of the following sanctions on
23 the institution:

24 “(i) Place the institution on provi-
25 sional certification in accordance with sec-

tion 498(h) until the institution demonstrates, to the satisfaction of the Secretary, that it is in compliance with subsection (a)(24).

“(ii) Require such other increased monitoring and reporting requirements as the Secretary determines necessary until the institution demonstrates, to the satisfaction of the Secretary, that it is in compliance with subsection (a)(24).

“(B) FAILURE TO MEET REQUIREMENT FOR 3 YEARS.—An institution that fails to meet the requirements of subsection (a)(24) for 2 consecutive years shall be ineligible to participate in the programs authorized under this title.

“(3) PUBLIC AVAILABILITY OF INFORMATION.—The Secretary shall make publicly available, through the means described in subsection (b) of section 131, any institution that fails to meet the requirements of subsection (a)(24) in any year as an institution that is failing to meet the minimum non-Federal source of revenue requirements of such subsection (a)(24).”.

1 **SEC. 492. REGULATORY RELIEF AND IMPROVEMENT.**

2 Section 487A(b) (20 U.S.C. 1094a(b)) is amended—

3 (1) in paragraph (1)—

4 (A) by striking “1998” and inserting
5 “2005” ; and

6 (B) by striking “1999” and inserting
7 “2006”; and

8 (2) by striking the matter preceding paragraph
9 (2)(A) and inserting the following:

10 “(2) REPORT.—The Secretary shall review and
11 evaluate the experience of institutions participating
12 as experimental sites and shall, on a biennial basis,
13 submit a report based on the review and evaluation
14 to the authorizing committees. Such report shall in-
15 clude—”; and

16 (3) in paragraph (3)—

17 (A) in subparagraph (A)—

18 (i) by striking “Upon the submission
19 of the report required by paragraph (2),
20 the” and inserting “The”; and

21 (ii) by inserting “periodically” after
22 “authorized to”;

23 (B) by striking subparagraph (B);

24 (C) by redesignating subparagraph (C) as
25 subparagraph (B); and

(D) in subparagraph (B) (as redesignated by subparagraph (C))—

(i) by inserting “, including requirements related to the award process and disbursement of student financial aid (such as innovative delivery systems for modular or compressed courses, or other innovative systems), verification of student financial aid application data, entrance and exit interviews, or other management procedures or processes as determined in the negotiated rulemaking process under section 492,” after “requirements in this title”; and

(ii) by inserting “(other than an award rule related to an experiment in modular or compressed schedules)” after “award rules”; and

(iii) by inserting “unless the waiver of such provisions is authorized by another provision under this title” before the period at the end.

SEC. 493. TRANSFER OF ALLOTMENTS.

Section 488 (20 U.S.C. 1095) is amended in the first sentence—

1 (1) in paragraph (1), by striking “and” after
2 the semicolon;

3 (2) in paragraph (2), by striking “413D.” and
4 inserting “413D; and”; and

5 (3) by adding at the end “(3) transfer 25 per-
6 cent of the institution’s allotment under section
7 413D to the institution’s allotment under section
8 442.”.

9 **SEC. 494. WAGE GARNISHMENT REQUIREMENT.**

10 Section 488A(a)(1) (20 U.S.C. 1095a(a)(1)) is
11 amended by striking “10 percent” and inserting “15 per-
12 cent”.

13 **SEC. 495. PURPOSE OF ADMINISTRATIVE PAYMENTS.**

14 Section 489(b) (20 U.S.C. 1096(b)) is amended by
15 striking “offsetting the administrative costs of” and in-
16 serting “administering”.

17 **SEC. 496. ADVISORY COMMITTEE ON STUDENT FINANCIAL**
18 **ASSISTANCE.**

19 Section 491 (20 U.S.C. 1098) is amended—

20 (1) in subsection (a)(2)—

21 (A) in subparagraph (B), by striking
22 “and” after the semicolon;

23 (B) in subparagraph (C), by striking the
24 period and inserting a semicolon; and

25 (C) by adding at the end the following:

1 “(D) to provide knowledge and under-
 2 standing of early intervention programs, and to
 3 make recommendations that will result in early
 4 awareness by low- and moderate-income stu-
 5 dents and families—

6 “(i) of their eligibility for assistance
 7 under this title; and

8 “(ii) to the extent practicable, of their
 9 eligibility for other forms of State and in-
 10 stitutional need-based student assistance;
 11 and

12 “(E) to make recommendations that will
 13 expand and improve partnerships among the
 14 Federal Government, States, institutions of
 15 higher education, and private entities to in-
 16 crease the awareness and the total amount of
 17 need-based student assistance available to low-
 18 and moderate-income students.”;

19 (2) in subsection (d)(6), by striking “, but
 20 nothing” and all that follows through “or analyses”;

21 (3) in subsection (j)—

22 (A) in paragraph (1)—

23 (i) by inserting “and simplification”
 24 after “modernization” each place the term
 25 appears; and

1 (ii) by striking “including” and all
2 that follows through “Department,”; and

3 (B) by striking paragraphs (4) and (5) and
4 inserting the following:

5 “(4) conduct a review and analysis of regula-
6 tions in accordance with subsection (l); and

7 “(5) conduct a study in accordance with sub-
8 section (m).”;

9 (4) in subsection (k), by striking “2004” and
10 inserting “2010”; and

11 (5) by adding at the end the following:

12 “(l) REVIEW AND ANALYSIS OF REGULATIONS.—

13 “(1) RECOMMENDATIONS.—The Advisory Com-
14 mittee shall make recommendations to the Secretary
15 for consideration of future legislative action regard-
16 ing redundant or outdated regulations under this
17 title, consistent with the Secretary’s requirements
18 under section 498B.

19 “(2) REVIEW AND ANALYSIS OF REGULA-
20 TIONS.—The Advisory Committee shall conduct a re-
21 view and analysis of the regulations issued under
22 this title that are in effect at the time of the review
23 and that apply to the operations or activities of par-
24 ticipants in the programs assisted under this title.

25 The review and analysis may include a determina-

tion of whether the regulation is duplicative, is no longer necessary, is inconsistent with other Federal requirements, or is overly burdensome. In conducting the review, the Advisory Committee shall pay specific attention to evaluating ways in which regulations under this title affecting institutions of higher education (other than institutions described in section 102(a)(1)(C)), that have received in each of the 2 most recent award years prior to the date of enactment of the Higher Education Amendments of 2005 less than \$200,000 in funds through this title, may be improved, streamlined, or eliminated.

“(3) CONSULTATION.—

“(A) IN GENERAL.—In carrying out the review and analysis under paragraph (2), the Advisory Committee shall consult with the Secretary, relevant representatives of institutions of higher education, and individuals who have expertise and experience with the regulations issued under this title, in accordance with subparagraph (B).

“(B) REVIEW PANELS.—The Advisory Committee shall convene not less than 2 review panels of representatives of the groups involved in student financial assistance programs under

1 this title who have experience and expertise in
2 the regulations issued under this title to review
3 the regulations under this title, and to provide
4 recommendations to the Advisory Committee
5 with respect to the review and analysis under
6 paragraph (2). The panels shall be made up of
7 experts in areas such as the operations of the
8 financial assistance programs, the institutional
9 eligibility requirements for the financial assist-
10 ance programs, regulations not directly related
11 to the operations or the institutional eligibility
12 requirements of the financial assistance pro-
13 grams, and regulations for dissemination of in-
14 formation to students about the financial assist-
15 ance programs.

16 “(4) REPORTS TO CONGRESS.—The Advisory
17 Committee shall submit, not later than 2 years after
18 the completion of the negotiated rulemaking process
19 required under section 492 resulting from the
20 amendments to this Act made by the Higher Edu-
21 cation Amendments of 2005, a report to the author-
22 izing committees and the Secretary detailing the ex-
23 pert panels’ findings and recommendations with re-
24 spect to the review and analysis under paragraph
25 (2).

1 “(5) ADDITIONAL SUPPORT.—The Secretary
 2 and the Inspector General of the Department shall
 3 provide such assistance and resources to the Advi-
 4 sory Committee as the Secretary and Inspector Gen-
 5 eral determine are necessary to conduct the review
 6 required by this subsection.

7 “(m) STUDY OF INNOVATIVE PATHWAYS TO BACCA-
 8 LAUREATE DEGREE ATTAINMENT.—

9 “(1) STUDY REQUIRED.—The Advisory Com-
 10 mittee shall conduct a study of the feasibility of in-
 11 creasing baccalaureate degree attainment rates by
 12 reducing the costs and financial barriers to attaining
 13 a baccalaureate degree through innovative programs.

14 “(2) SCOPE OF STUDY.—The Advisory Com-
 15 mittee shall examine new and existing programs that
 16 promote baccalaureate degree attainment through
 17 innovative ways, such as dual or concurrent enroll-
 18 ment programs, changes made to the Federal Pell
 19 Grant program, simplification of the needs analysis
 20 process, compressed or modular scheduling, articula-
 21 tion agreements, and programs that allow 2-year in-
 22 stitutions of higher education to offer baccalaureate
 23 degrees.

24 “(3) REQUIRED ASPECTS OF THE STUDY.—In
 25 performing the study described in this subsection,

1 the Advisory Committee shall examine the following
2 aspects of such innovative programs:

3 “(A) The impact of such programs on bac-
4 calaureate attainment rates.

5 “(B) The degree to which a student’s total
6 cost of attaining a baccalaureate degree can be
7 reduced by such programs.

8 “(C) The ways in which low- and mod-
9 erate-income students can be specifically tar-
10 geted by such programs.

11 “(D) The ways in which nontraditional
12 students can be specifically targeted by such
13 programs.

14 “(E) The cost-effectiveness for the Federal
15 Government, States, and institutions of higher
16 education to implement such programs.

17 “(4) CONSULTATION.—

18 “(A) IN GENERAL.—In performing the
19 study described in this subsection the Advisory
20 Committee shall consult with a broad range of
21 interested parties in higher education, including
22 parents, students, appropriate representatives
23 of secondary schools and institutions of higher
24 education, appropriate State administrators, ad-

1 ministrators of dual enrollment programs, and
2 appropriate officials from the Department.

3 “(B) CONGRESSIONAL CONSULTATION.—
4 The Advisory Committee shall consult on a reg-
5 ular basis with the authorizing committees in
6 carrying out the study required by this section.

7 “(5) REPORTS TO CONGRESS.—

8 “(A) INTERIM REPORT.—The Advisory
9 Committee shall prepare and submit to the au-
10 thorizing committees and the Secretary 1 in-
11 terim report, not later than 1 year after the
12 date of enactment of the Higher Education
13 Amendments of 2005, describing the progress
14 that has been made in conducting the study re-
15 quired by this subsection and any preliminary
16 findings on the topics identified under para-
17 graph (2).

18 “(B) FINAL REPORT.—The Advisory Com-
19 mittee shall, not later than 3 years after the
20 date of enactment of the Higher Education
21 Amendments of 2005, prepare and submit to
22 the authorizing committees and the Secretary a
23 final report on the study, including rec-
24 ommendations for legislative, regulatory, and
25 administrative changes based on findings re-

1 lated to the topics identified under paragraph
2 (2).”.

3 **SEC. 497. REGIONAL MEETINGS.**

4 Section 492(a)(1) (20 U.S.C. 1098a(a)(1)) is amend-
5 ed by inserting “State student grant agencies,” after “in-
6 stitutions of higher education,”.

7 **SEC. 498. YEAR 2000 REQUIREMENTS AT THE DEPARTMENT.**

8 (a) REPEAL.—Section 493A (20 U.S.C. 1098c) is re-
9 pealed.

10 (b) REDESIGNATION.—Section 493B (20 U.S.C.
11 1098d) is redesignated as section 493A.

12 **PART H—PROGRAM INTEGRITY**

13 **SEC. 499. RECOGNITION OF ACCREDITING AGENCY OR AS-**
14 **SOCIATION.**

15 Section 496 (200 U.S.C. 1099b) is amended—

16 (1) in subsection (a)—

17 (A) by striking paragraph (4) and insert-
18 ing the following:

19 “(4)(A) such agency or association consistently
20 applies and enforces standards that respect the stat-
21 ed mission of the institution of higher education, in-
22 cluding religious missions, and that ensure that the
23 courses or programs of instruction, training, or
24 study offered by the institution of higher education,
25 including distance education courses or programs,

1 are of sufficient quality to achieve, for the duration
2 of the accreditation period, the stated objective for
3 which the courses or the programs are offered; and

4 “(B) if such agency or association has or seeks
5 to include within its scope of recognition the evalua-
6 tion of the quality of institutions or programs offer-
7 ing distance education, such agency or association
8 shall, in addition to meeting the other requirements
9 of this subpart, demonstrate to the Secretary that—

10 “(i) the agency or association’s standards
11 effectively address the quality of an institution’s
12 distance education in the areas identified in sec-
13 tion 496(a)(5), except that the agency or asso-
14 ciation shall not be required to have separate
15 standards, procedures or policies for the evalua-
16 tion of distance education institutions or pro-
17 grams in order to meet the requirements of this
18 subparagraph; and

19 “(ii) the agency or association requires an
20 institution that offers distance education to
21 have processes through which the institution es-
22 tablishes that the student who registers in a
23 distance education course or program is the
24 same student who participates, completes and
25 receives the academic credit;”;

1 (B) in paragraph (5), by striking subpara-
2 graph (A) and inserting the following:

3 “(A) success with respect to student
4 achievement in relation to the institution’s mis-
5 sion, including—

6 “(i) consideration of student academic
7 achievement as determined by the institu-
8 tion;

9 “(ii) student retention;

10 “(iii) course and program completion;

11 “(iv) as appropriate, State licensing
12 examinations;

13 “(v) as appropriate, job placement
14 rates; and

15 “(vi) as appropriate, other student
16 performance information selected by the
17 institution, particularly that information
18 used by the institution to evaluate or
19 strengthen its programs;”;

20 (C) by striking paragraph (6) and insert-
21 ing the following:

22 “(6) such an agency or association shall estab-
23 lish and apply review procedures throughout the ac-
24 crediting process, including evaluation and with-

1 drawal proceedings which comply with due process
2 procedures that provide for—

3 “(A) adequate specification of require-
4 ments and deficiencies at the institution of
5 higher education or program examined;

6 “(B) an opportunity for a written response
7 by any such institution to be included in the
8 evaluation and withdrawal proceedings prior to
9 final action;

10 “(C) upon the written request of an insti-
11 tution, an opportunity for the institution to ap-
12 peal any adverse action, including denial, with-
13 drawal, suspension, or termination of accredita-
14 tion, or placement on probation of an institu-
15 tion, at a hearing prior to such action becoming
16 final, before an appeals panel that—

17 “(i) shall not include current members
18 of the agency or association’s underlying
19 decision-making body that made the ad-
20 verse decision; and

21 “(ii) is subject to a conflict of interest
22 policy; and

23 “(D) the right to representation by counsel
24 for such an institution;”; and

1 (D) by striking paragraph (8) and insert-
2 ing the following:

3 “(8) such agency or association shall make
4 available to the public and the State licensing or au-
5 thorizing agency, and submit to the Secretary, a
6 summary of agency or association actions, includ-
7 ing—

8 “(A) the award of accreditation or re-
9 accreditation of an institution;

10 “(B) final denial, withdrawal, suspension,
11 or termination of accreditation, or placement on
12 probation of an institution, and any findings
13 made in connection with the action taken, to-
14 gether with the official comments of the af-
15 fected institution; and

16 “(C) any other adverse action taken with
17 respect to an institution.”; and

18 (2) in subsection (c)—

19 (A) in paragraph (1), by inserting “, in-
20 cluding those regarding distance education”
21 after “their responsibilities”;

22 (B) by redesignating paragraphs (2)
23 through (6) as paragraphs (5) through (9);

24 (C) by inserting after paragraph (1) (as
25 amended by subparagraph (A)) the following:

1 “(2) ensures that the agency or association’s
2 on-site evaluation for accreditation or reaccreditation
3 includes review of the Federally required information
4 the institution or program provides its current and
5 prospective students;

6 “(3) monitors the growth of programs at insti-
7 tutions that are experiencing significant enrollment
8 growth;

9 “(4) requires an institution to submit a teach-
10 out plan for approval to the accrediting agency upon
11 the occurrence of any of the following events:

12 “(A) The Department notifies the accred-
13 iting agency of an action against the institution
14 pursuant to section 487(d).

15 “(B) The accrediting agency acts to with-
16 draw, terminate, or suspend the accreditation of
17 an institution.

18 “(C) The institution notifies the accred-
19 iting agency that the institution intends to
20 cease operations.”;

21 (D) in paragraph (8) (as redesignated by
22 subparagraph (B)), by striking “and” after the
23 semicolon;

1 (E) in subparagraph (9) (as redesignated
 2 by subparagraph (B)), by striking the period
 3 and inserting “; and”; and

4 (F) by adding at the end the following:

5 “(10) confirms, as a part of the agency or asso-
 6 ciation’s review for accreditation or reaccreditation,
 7 that the institution has transfer of credit policies—

8 “(A) that are publicly disclosed;

9 “(B) that do not deny transfer of credit
 10 based solely on the accreditation of the sending
 11 institution, if the agency or association accred-
 12 iting the sending institution is recognized by
 13 the Secretary pursuant to this section; and

14 “(C) in which acceptance or denial of
 15 transfer of credit is decided according to cri-
 16 teria established in guidelines developed by the
 17 institution’s admissions committee.”.

18 **SEC. 499A. ADMINISTRATIVE CAPACITY STANDARD.**

19 Section 498 (20 U.S.C. 1099c) is amended—

20 (1) in subsection (d)(1)(B), by inserting “and”
 21 after the semicolon; and

22 (2) by adding at the end the following:

23 “(k) TREATMENT OF TEACH-OUTS AT ADDITIONAL
 24 LOCATIONS.—

1 “(1) IN GENERAL.—A location of a closed insti-
 2 tution of higher education shall be eligible as an ad-
 3 ditional location of an eligible institution of higher
 4 education, as defined pursuant to regulations of the
 5 Secretary, for the purposes of a teach-out, if such
 6 teach-out has been approved by the institution’s ac-
 7 crediting agency.

8 “(2) SPECIAL RULE.—An institution of higher
 9 education that conducts a teach-out through the es-
 10 tablishment of an additional location described in
 11 paragraph (1) shall be permitted to establish a per-
 12 manent additional location at a closed institution
 13 and shall not be required—

14 “(A) to meet the requirements of sections
 15 102(b)(1)(E) and 102(c)(1)(C) for such addi-
 16 tional location; or

17 “(B) to assume the liabilities of the closed
 18 institution.”.

19 **SEC. 499B. PROGRAM REVIEW AND DATA.**

20 Section 498A(b) (20 U.S.C. 1099c–1(b)) is amend-
 21 ed—

22 (1) in paragraph (4), by striking “and” after
 23 the semicolon;

24 (2) in paragraph (5) by striking the period and
 25 inserting a semicolon; and

1 (3) by adding at the end the following:

2 “(6) provide to an institution of higher edu-
 3 cation an adequate opportunity to review and re-
 4 spond to any program review report or audit finding,
 5 and relevant materials related to the report or find-
 6 ing, before any final program review or audit deter-
 7 mination is reached;

8 “(7) review and take into consideration an in-
 9 stitution of higher education’s response in any final
 10 program review or audit determination; and

11 “(8) maintain and preserve at all times the con-
 12 fidentiality of any program review report or audit
 13 finding until the requirements of paragraphs (6) and
 14 (7) are met, and until a final program review or
 15 audit determination is issued, other than to the ex-
 16 tent required to comply with paragraph (5), except
 17 that the Secretary shall promptly disclose any and
 18 all program review reports and audit findings to the
 19 institution of higher education under review.”.

20 **TITLE V—DEVELOPING** 21 **INSTITUTIONS**

22 **SEC. 501. DEFINITIONS.**

23 Section 502(a) (20 U.S.C. 1101a(a)) is amended—
 24 (1) in paragraph (5)—

1 (A) in subparagraph (A), by inserting
2 “and” after the semicolon;
3 (B) in subparagraph (B), by striking “;
4 and” and inserting a period; and
5 (C) by striking subparagraph (C); and
6 (2) by striking paragraph (7).

7 **SEC. 502. AUTHORIZED ACTIVITIES.**

8 Section 503(b) (20 U.S.C. 1101b(b)) is amended—
9 (1) by redesignating paragraphs (6) through
10 (14) as paragraphs (8) through (16), respectively;
11 (2) in paragraph (5), by inserting “, including
12 innovative, customized remedial education and
13 English language instruction courses designed to
14 help retain students and move the students rapidly
15 into core courses and through program completion”
16 before the period at the end; and
17 (3) by inserting after paragraph (5) the fol-
18 lowing:
19 “(6) Education or counseling services designed
20 to improve the financial literacy and economic lit-
21 eracy of students or the students’ parents.
22 “(7) Articulation agreements and student sup-
23 port programs designed to facilitate the transfer
24 from 2-year to 4-year institutions.”.

1 **SEC. 503. DURATION OF GRANT.**

2 Section 504(a) (20 U.S.C. 1101c(a)) is amended to
3 read as follows:

4 “(a) AWARD PERIOD.—The Secretary may award a
5 grant to a Hispanic-serving institution under this title for
6 5 years.”.

7 **SEC. 504. POSTBACCALAUREATE OPPORTUNITIES FOR HIS-**
8 **PANIC AMERICANS.**

9 (a) ESTABLISHMENT OF PROGRAM.—Title V (20
10 U.S.C. 1101 et seq.) is amended—

11 (1) by redesignating part B as part C;

12 (2) by redesignating sections 511 through 518
13 as sections 521 through 528, respectively; and

14 (3) by inserting after section 505 the following:

15 **“PART B—PROMOTING POSTBACCALAUREATE**
16 **OPPORTUNITIES FOR HISPANIC AMERICANS**

17 **“SEC. 511. PROGRAM AUTHORITY AND ELIGIBILITY.**

18 “(a) PROGRAM AUTHORIZED.—Subject to the avail-
19 ability of funds appropriated to carry out this part, the
20 Secretary shall award grants, on a competitive basis, to
21 eligible institutions to enable the eligible institutions to
22 carry out the authorized activities described in section
23 512.

24 “(b) ELIGIBILITY.—For the purposes of this part, an
25 ‘eligible institution’ means an institution of higher edu-
26 cation that—

1 “(1) is a Hispanic-serving institution (as de-
2 fined in section 502); and

3 “(2) offers a postbaccalaureate certificate or de-
4 gree granting program.

5 **“SEC. 512. AUTHORIZED ACTIVITIES.**

6 “Grants awarded under this part shall be used for
7 1 or more of the following activities:

8 “(1) Purchase, rental, or lease of scientific or
9 laboratory equipment for educational purposes, in-
10 cluding instructional and research purposes.

11 “(2) Construction, maintenance, renovation,
12 and improvement in classroom, library, laboratory,
13 and other instructional facilities, including purchase
14 or rental of telecommunications technology equip-
15 ment or services.

16 “(3) Purchase of library books, periodicals,
17 technical and other scientific journals, microfilm,
18 microfiche, and other educational materials, includ-
19 ing telecommunications program materials.

20 “(4) Support for needy postbaccalaureate stu-
21 dents, including outreach, academic support services,
22 mentoring, scholarships, fellowships, and other fi-
23 nancial assistance, to permit the enrollment of such
24 students in postbaccalaureate certificate and degree
25 granting programs.

1 “(5) Support of faculty exchanges, faculty de-
2 velopment, faculty research, curriculum development,
3 and academic instruction.

4 “(6) Creating or improving facilities for Inter-
5 net or other distance learning academic instruction
6 capabilities, including purchase or rental of tele-
7 communications technology equipment or services.

8 “(7) Collaboration with other institutions of
9 higher education to expand postbaccalaureate certifi-
10 cate and degree offerings.

11 “(8) Other activities proposed in the application
12 submitted pursuant to section 513 that are approved
13 by the Secretary as part of the review and accept-
14 ance of such application.

15 **“SEC. 513. APPLICATION AND DURATION.**

16 “(a) APPLICATION.—Any eligible institution may
17 apply for a grant under this part by submitting an applica-
18 tion to the Secretary at such time and in such manner
19 as the Secretary may require. Such application shall dem-
20 onstrate how the grant funds will be used to improve
21 postbaccalaureate education opportunities for Hispanic
22 and low-income students and will lead to such students’
23 greater financial independence.

24 “(b) DURATION.—Grants under this part shall be
25 awarded for a period not to exceed 5 years.

1 “(c) LIMITATION.—The Secretary may not award
2 more than 1 grant under this part in any fiscal year to
3 any Hispanic-serving institution.”.

4 **SEC. 505. APPLICATIONS.**

5 Section 521(b)(1)(A) (as redesignated by section
6 504(a)(2)) (20 U.S.C. 1103(b)(1)(A)) is amended by
7 striking “subsection (b)” and inserting “subsection (c)”.

8 **SEC. 506. COOPERATIVE ARRANGEMENTS.**

9 Section 524(a) (as redesignated by section 504(a)(2))
10 (20 U.S.C. 1103c(a)) is amended by striking “section
11 503” and inserting “sections 503 and 512”.

12 **SEC. 507. AUTHORIZATION OF APPROPRIATIONS.**

13 Section 528(a) (as redesignated by section 504(a)(2))
14 (20 U.S.C. 1103g(a)) is amended—

15 (1) by inserting “part A of” after “carry out”;

16 (2) by striking “\$62,500,000 for fiscal year
17 1999” and all that follows through the period and
18 inserting “such sums as may be necessary for fiscal
19 year 2006 and each of the 5 succeeding fiscal
20 years.”;

21 (3) by striking “(a) AUTHORIZATIONS.—There
22 are” and inserting the following:

23 “(a) AUTHORIZATIONS.—

24 “(1) PART A.—There are”; and

25 (4) by adding at the end the following:

1 “(2) PART B.—There are authorized to be ap-
 2 propriated to carry out part B of this title such
 3 sums as may be necessary for fiscal year 2006 and
 4 each of the 5 succeeding fiscal years.”.

5 **TITLE VI—INTERNATIONAL**
 6 **EDUCATION PROGRAMS**

7 **SEC. 601. FINDINGS.**

8 Section 601 (20 U.S.C. 1121) is amended—

9 (1) in the section heading, by striking “**AND**
 10 **PURPOSES**” and inserting “**; PURPOSES; CON-**
 11 **SULTATION; SURVEY**”

12 (2) in subsection (a)(3), by striking “post-Cold
 13 War”;

14 (3) in subsection (b)(1)(D), by inserting “, in-
 15 cluding through linkages with overseas institutions”
 16 before the semicolon; and

17 (4) by adding at the end the following:

18 “(c) CONSULTATION.—The Secretary shall, prior to
 19 requesting applications for funding under this title during
 20 each grant cycle, consult with and receive recommenda-
 21 tions regarding national need for expertise in foreign lan-
 22 guages and world regions from the head official, or a des-
 23 ignee of such head official, of the National Security Coun-
 24 cil, the Department of Homeland Security, the Depart-
 25 ment of Defense, the Department of State, the Federal

1 Bureau of Investigation, the Department of Labor, and
 2 the Department of Commerce, and the Director of Na-
 3 tional Intelligence. These entities shall provide information
 4 to the Secretary regarding how they utilize services pro-
 5 vided by grantees under this title. The Secretary shall take
 6 into account such recommendations and information when
 7 requesting applications for funding under this title, and
 8 shall make available to applicants a list of areas identified
 9 as areas of national need.

10 “(d) SURVEY.—The Secretary shall assist grantees in
 11 developing a survey to administer to students who have
 12 participated in programs under this title to determine
 13 postparticipation placement. All grantees, where applica-
 14 ble, shall administer such survey not less often than annu-
 15 ally and report such data to the Secretary.”.

16 **SEC. 602. GRADUATE AND UNDERGRADUATE LANGUAGE**
 17 **AND AREA CENTERS AND PROGRAMS.**

18 Section 602 (20 U.S.C. 1122) is amended—

19 (1) in subsection (a)—

20 (A) in paragraph (2)—

21 (i) in subparagraph (G), by striking

22 “and” after the semicolon;

23 (ii) in subparagraph (H), by striking

24 the period and inserting “; and”; and

1 (iii) by adding at the end the fol-
 2 lowing:

3 “(I) support for instructors of the less
 4 commonly taught languages.”; and

5 (B) in paragraph (4)—

6 (i) by redesignating subparagraphs
 7 (C) through (E) as subparagraphs (D)
 8 through (F), respectively;

9 (ii) by inserting after subparagraph
 10 (B) the following:

11 “(C) Programs of linkage or outreach be-
 12 tween or among—

13 “(i) foreign language, area studies, or
 14 other international fields; and

15 “(ii) State educational agencies or
 16 local educational agencies.”; and

17 (iii) in subparagraph (F) (as redesign-
 18 ated by clause (i)), by striking “and (D)”
 19 and inserting “(D), and (E)”;

20 (2) in subsection (b)—

21 (A) in the subsection heading, by striking
 22 “GRADUATE”; and

23 (B) by striking paragraph (2) and insert-
 24 ing the following:

1 “(2) ELIGIBLE STUDENTS.—A student receiv-
 2 ing a stipend described in paragraph (1) shall be en-
 3 gaged—

4 “(A) in an instructional program with stat-
 5 ed performance goals for functional foreign lan-
 6 guage use or in a program developing such per-
 7 formance goals, in combination with area stud-
 8 ies, international studies, or the international
 9 aspects of a professional studies program; and

10 “(B)(i) in the case of an undergraduate
 11 student, in the intermediate or advanced study
 12 of a less commonly taught language; or

13 “(ii) in the case of a graduate student, in
 14 graduate study in connection with a program
 15 described in subparagraph (A), including—

16 “(I) predissertation level study;

17 “(II) preparation for dissertation re-
 18 search;

19 “(III) dissertation research abroad; or

20 “(IV) dissertation writing.”;

21 (3) by striking subsection (d) and inserting the
 22 following:

23 “(d) ALLOWANCES.—

24 “(1) GRADUATE LEVEL RECIPIENTS.—A sti-
 25 pend awarded to a graduate level recipient may in-

1 clude allowances for dependents and for travel for
2 research and study in the United States and abroad.

3 “(2) UNDERGRADUATE LEVEL RECIPIENTS.—A
4 stipend awarded to an undergraduate level recipient
5 may include an allowance for educational programs
6 in the United States or educational programs abroad
7 that—

8 “(A) are closely linked to the overall goals
9 of the recipient’s course of study; and

10 “(B) have the purpose of promoting for-
11 eign language fluency and knowledge of foreign
12 cultures.”; and

13 (4) by adding at the end the following:

14 “(e) APPLICATION.—Each institution or combination
15 of institutions desiring a grant under this section shall
16 submit an application to the Secretary at such time, in
17 such manner, and accompanied by such information and
18 assurances as the Secretary may require. Each application
19 shall include an explanation of how the activities funded
20 by the grant will reflect diverse and balanced perspectives
21 and generate debate on world regions and international
22 affairs. Each application shall also describe how the appli-
23 cant will address disputes regarding diversity and balance
24 of activities funded under the application. Each applica-
25 tion shall also include a description of how the applicant

1 will encourage government service in areas of national
2 need as identified by the Secretary.”.

3 **SEC. 603. UNDERGRADUATE INTERNATIONAL STUDIES AND**
4 **FOREIGN LANGUAGE PROGRAMS.**

5 Section 604 (20 U.S.C. 1124) is amended—

6 (1) in subsection (a)—

7 (A) in paragraph (2)—

8 (i) by redesignating subparagraphs (I)
9 through (M) as subparagraphs (J) through
10 (N), respectively; and

11 (ii) by inserting after subparagraph
12 (H) the following:

13 “(I) providing subgrants to undergraduate
14 students for educational programs abroad
15 that—

16 “(i) are closely linked to the overall
17 goals of the program for which the grant
18 is awarded; and

19 “(ii) have the purpose of promoting
20 foreign language fluency and knowledge of
21 foreign cultures;”; and

22 (B) in paragraph (7)—

23 (i) in subparagraph (C), by striking
24 “and” after the semicolon;

1 (ii) in subparagraph (D), by striking
2 the period at the end and inserting a semi-
3 colon; and

4 (iii) by adding at the end the fol-
5 lowing:

6 “(E) an explanation of how the activities
7 funded by the grant will reflect diverse and bal-
8 anced perspectives and generate debate on
9 world regions and international affairs, where
10 applicable;

11 “(F) a description of how the applicant
12 will address disputes regarding diversity and
13 balance of activities funded under the applica-
14 tion; and

15 “(G) a description of how the applicant
16 will encourage government service in areas of
17 national need as identified by the Secretary.”;
18 and

19 (2) in subsection (c)—

20 (A) by striking “FUNDING SUPPORT.—The
21 Secretary” and inserting “FUNDING RULES.—
22 “(1) THE SECRETARY.—The Secretary”;

23 (B) by striking “10” and inserting “20”;
24 and

25 (C) by adding at the end the following:

1 “(2) GRANTEES.—Of the total amount of grant
2 funds awarded to a grantee under this section, the
3 grantee may use not more than 10 percent of such
4 funds for the activity described in subsection
5 (a)(2)(I).”.

6 **SEC. 604. RESEARCH; STUDIES.**

7 Section 605(a) (20 U.S.C. 1125(a)) is amended—

8 (1) in paragraph (8), by striking “and” after
9 the semicolon;

10 (2) in paragraph (9), by striking the period and
11 inserting a semicolon; and

12 (3) by adding at the end the following:

13 “(10) evaluation of the extent to which pro-
14 grams assisted under this title reflect diverse and
15 balanced perspectives and generate debate on world
16 regions and international affairs;

17 “(11) the systematic collection, analysis, and
18 dissemination of data that contribute to achieving
19 the purposes of this part; and

20 “(12) support for programs or activities to
21 make data collected, analyzed, or disseminated under
22 this section publicly available and easy to under-
23 stand.”.

1 **SEC. 605. TECHNOLOGICAL INNOVATION AND COOPERA-**
 2 **TION FOR FOREIGN INFORMATION ACCESS.**

3 Section 606 (20 U.S.C. 1126) is amended—

4 (1) in subsection (a)—

5 (A) by striking “new electronic tech-
 6 nologies” and insert “electronic technologies”;

7 (B) by inserting “from foreign sources”
 8 after “disseminate information”;

9 (C) by striking “AUTHORITY.—The Sec-
 10 retary” and insert “AUTHORITY.—

11 “(1) IN GENERAL.—The Secretary”; and

12 (D) by adding at the end the following:

13 “(2) PARTNERSHIPS WITH NOT-FOR-PROFIT
 14 EDUCATIONAL ORGANIZATIONS.—The Secretary may
 15 award grants under this section to carry out the ac-
 16 tivities authorized under this section to the fol-
 17 lowing:

18 “(A) An institution of higher education.

19 “(B) A public or nonprofit private library.

20 “(C) A consortium of an institution of
 21 higher education and 1 or more of the fol-
 22 lowing:

23 “(i) Another institution of higher edu-
 24 cation.

25 “(ii) A library.

1 “(iii) A not-for-profit educational or-
2 ganization.”;

3 (2) in subsection (b)—

4 (A) in paragraph (1), by striking “to facili-
5 tate access to” and inserting “to acquire, facili-
6 tate access to,”;

7 (B) in paragraph (2), by inserting “or
8 standards for” after “means of”;

9 (C) in paragraph (6), by striking “and”
10 after the semicolon;

11 (D) in paragraph (7), by striking the pe-
12 riod and inserting a semicolon; and

13 (E) by adding at the end the following:

14 “(8) to establish linkages to facilitate carrying
15 out the activities described in this subsection be-
16 tween—

17 “(A) the institutions of higher education,
18 libraries, and consortia receiving grants under
19 this section; and

20 “(B) institutions of higher education, not-
21 for-profit educational organizations, and librar-
22 ies overseas; and

23 “(9) to carry out other activities that the Sec-
24 retary determines are consistent with the purpose of

1 the grants or contracts awarded under this section.”;
 2 and

3 (3) in subsection (c), by striking “institution or
 4 consortium” and inserting “institution of higher
 5 education, library, or consortium”.

6 **SEC. 606. SELECTION OF CERTAIN GRANT RECIPIENTS.**

7 Section 607 (20 U.S.C. 1127) is amended—

8 (1) in subsection (a), by striking “evaluates the
 9 applications for comprehensive and undergraduate
 10 language and area centers and programs.” and in-
 11 serting “evaluates—

12 “(1) the applications for comprehensive foreign
 13 language and area or international studies centers
 14 and programs; and

15 “(2) the applications for undergraduate foreign
 16 language and area or international studies centers
 17 and programs.”; and

18 (2) in subsection (b), by adding at the end the
 19 following: “The Secretary shall also consider an ap-
 20 plicant’s record of sending students into public serv-
 21 ice and an applicant’s stated efforts to increase the
 22 number of students that go into public service.”.

23 **SEC. 607. AMERICAN OVERSEAS RESEARCH CENTERS.**

24 Section 609 (20 U.S.C. 1128a) is amended by adding
 25 at the end the following:

1 “(e) APPLICATION.—Each center desiring a grant
 2 under this section shall submit an application to the Sec-
 3 retary at such time, in such manner, and accompanied by
 4 such information and assurances as the Secretary may re-
 5 quire. Each application shall include how the activities
 6 funded by the grant will reflect diverse and balanced per-
 7 spectives and generate debate on world regions and inter-
 8 national affairs, where applicable. Each application shall
 9 also describe how the applicant will address disputes re-
 10 garding diversity and balance of activities funded under
 11 the application.”.

12 **SEC. 608. AUTHORIZATION OF APPROPRIATIONS FOR**
 13 **INTERNATIONAL AND FOREIGN LANGUAGE**
 14 **STUDIES.**

15 Section 610 (20 U.S.C. 1128b) is amended by strik-
 16 ing “\$80,000,000 for fiscal year 1999” and all that fol-
 17 lows through the period and inserting “such sums as may
 18 be necessary for fiscal year 2006 and each of the 5 suc-
 19 ceeding fiscal years.”.

20 **SEC. 609. CENTERS FOR INTERNATIONAL BUSINESS EDU-**
 21 **CATION.**

22 Section 612(f) (20 U.S.C. 1130–1(f)) is amended—
 23 (1) in paragraph (3), by striking “and” after
 24 the semicolon;

1 (2) in paragraph (4), by striking the period at
2 the end and inserting “; and”; and

3 (3) by adding at the end the following:

4 “(5) assurances that activities funded by the
5 grant will reflect diverse and balanced perspectives
6 and generate debate on world regions and inter-
7 national affairs, where applicable.”.

8 **SEC. 610. EDUCATION AND TRAINING PROGRAMS.**

9 Section 613(c) (20 U.S.C. 1130a(c)) is amended by
10 adding at the end the following: “Each such application
11 shall include an assurance that, where applicable, the ac-
12 tivities funded by the grant will reflect diverse and bal-
13 anced perspectives on world regions and international af-
14 fairs.”.

15 **SEC. 611. AUTHORIZATION OF APPROPRIATIONS FOR BUSI-**
16 **NESS AND INTERNATIONAL EDUCATION PRO-**
17 **GRAMS.**

18 Section 614 (20 U.S.C. 1130b) is amended—

19 (1) in subsection (a), by striking “\$11,000,000
20 for fiscal year 1999” and all that follows through
21 “fiscal years” and inserting “such sums as may be
22 necessary for fiscal year 2006 and each of the 5 suc-
23 ceeding fiscal years”; and

24 (2) in subsection (b), by striking “\$7,000,000
25 for fiscal year 1999” and all that follows through

1 “fiscal years,” and inserting “such sums as may be
 2 necessary for fiscal year 2006 and each of the 5 suc-
 3 ceeding fiscal years”.

4 **SEC. 612. MINORITY FOREIGN SERVICE PROFESSIONAL DE-**
 5 **VELOPMENT PROGRAM.**

6 Section 621 (20 U.S.C. 1131) is amended—

7 (1) in subsection (c), by adding at the end the
 8 following: “Each application shall include a descrip-
 9 tion of how the activities funded by the grant will re-
 10 flect diverse and balanced perspectives on world re-
 11 gions and international affairs, where applicable.”;
 12 and

13 (2) in subsection (e)—

14 (A) by striking “MATCH REQUIRED.—The
 15 eligible” and inserting “MATCHING FUNDS.—

16 “(1) IN GENERAL.—Subject to paragraph (2),
 17 the eligible”; and

18 (B) by adding at the end the following:

19 “(2) WAIVER.—The Secretary may waive the
 20 requirement of paragraph (1) for an eligible recipi-
 21 ent if the Secretary determines such waiver is appro-
 22 priate.”.

23 **SEC. 613. INSTITUTIONAL DEVELOPMENT.**

24 Section 622 (20 U.S.C. 1131–1) is amended—

25 (1) in subsection (a)—

1 (A) by striking “Tribally Controlled Col-
 2 leges or Universities” and inserting “tribally
 3 controlled colleges or universities”; and

4 (B) by striking “international affairs pro-
 5 grams.” and inserting “international affairs,
 6 international business, and foreign language
 7 study programs, including the teaching of for-
 8 eign languages, at such colleges, universities,
 9 and institutions, respectively, through increased
 10 collaboration with institutions of higher edu-
 11 cation that receive funding under this title.”;
 12 and

13 (2) in subsection (c)—

14 (A) by striking paragraphs (1) and (3);
 15 and

16 (B) by redesignating paragraphs (2) and
 17 (4) as paragraphs (1) and (2), respectively.

18 **SEC. 614. STUDY ABROAD PROGRAM.**

19 Section 623(a) (20 U.S.C. 1131a(a)) is amended—

20 (1) by striking “as defined in section 322 of
 21 this Act”; and

22 (2) by striking “tribally controlled Indian com-
 23 munity colleges as defined in the Tribally Controlled
 24 Community College Assistance Act of 1978” and in-
 25 serting “tribally controlled colleges or universities”.

1 **SEC. 615. ADVANCED DEGREE IN INTERNATIONAL RELA-**
2 **TIONS.**

3 Section 624 (20 U.S.C. 1131b) is amended—

4 (1) in the section heading, by striking “**MAS-**
5 **TERS**” and inserting “**ADVANCED**”;

6 (2) in the first sentence, by inserting “, and in
7 exceptional circumstances, a doctoral degree,” after
8 “masters degree”;

9 (3) in the second sentence, by striking “masters
10 degree” and inserting “advanced degree”; and

11 (4) in the fourth sentence, by striking “United
12 States” and inserting “United States.”.

13 **SEC. 616. INTERNSHIPS.**

14 Section 625 (20 U.S.C. 1131c) is amended—

15 (1) in subsection (a)—

16 (A) by striking “as defined in section 322
17 of this Act”;

18 (B) by striking “tribally controlled Indian
19 community colleges as defined in the Tribally
20 Controlled Community College Assistance Act
21 of 1978” and inserting “tribally controlled col-
22 leges or universities”;

23 (C) by striking “an international” and in-
24 serting “international,”; and

1 (D) by striking “the United States Infor-
 2 mation Agency” and inserting “the Department
 3 of State”; and

4 (2) in subsection (c)(1)—

5 (A) in subparagraph (E), by inserting
 6 “and” after the semicolon;

7 (B) in subparagraph (F), by striking “;
 8 and” and inserting a period; and

9 (C) by striking subparagraph (G).

10 **SEC. 617. FINANCIAL ASSISTANCE.**

11 Part C of title VI (20 U.S.C. 1131 et seq.) is further
 12 amended—

13 (1) by redesignating sections 626, 627, and 628
 14 as sections 627, 628, and 629, respectively; and

15 (2) by inserting after section 625 the following:

16 **“SEC. 626. FINANCIAL ASSISTANCE.**

17 “(a) **AUTHORITY.**—The Institute may provide finan-
 18 cial assistance, in the form of summer stipends described
 19 in subsection (b) and Ralph Bunche scholarship assistance
 20 described in subsection (c), to needy students to facilitate
 21 the participation of the students in the Institute’s pro-
 22 grams under this part.

23 “(b) **SUMMER STIPENDS.**—

24 “(1) **REQUIREMENTS.**—A student receiving a
 25 summer stipend under this section shall use such sti-

1 pend to defray the student’s cost of participation in
 2 a summer institute program funded under this part,
 3 including the costs of travel, living, and educational
 4 expenses necessary for the student’s participation in
 5 such program.

6 “(2) AMOUNT.—A summer stipend awarded to
 7 a student under this section shall not exceed \$3,000
 8 per summer.

9 “(c) RALPH BUNCHE SCHOLARSHIP.—

10 “(1) REQUIREMENTS.—A student receiving a
 11 Ralph Bunche scholarship under this section—

12 “(A) shall be a full-time student at an in-
 13 stitution of higher education who is accepted
 14 into a program funded under this part; and

15 “(B) shall use such scholarship to pay
 16 costs related to the cost of attendance, as de-
 17 fined in section 472, at the institution of higher
 18 education in which the student is enrolled.

19 “(2) AMOUNT AND DURATION.—A Ralph
 20 Bunche scholarship awarded to a student under this
 21 section shall not exceed \$5,000 per academic year.”.

22 **SEC. 618. REPORT.**

23 Section 627 (as redesignated by section 617(1)) (20
 24 U.S.C. 1131d) is amended by striking “annually” and in-
 25 serting “biennially”.

1 **SEC. 619. GIFTS AND DONATIONS.**

2 Section 628 (as redesignated by section 617(1)) (20
3 U.S.C. 1131e) is amended by striking “annual report de-
4 scribed in section 626” and inserting “biennial report de-
5 scribed in section 627”.

6 **SEC. 620. AUTHORIZATION OF APPROPRIATIONS FOR THE**
7 **INSTITUTE FOR INTERNATIONAL PUBLIC**
8 **POLICY.**

9 Section 629 (as redesignated by section 617(1)) (20
10 U.S.C. 1131f) is amended by striking “\$10,000,000 for
11 fiscal year 1999” and all that follows through the period
12 and inserting “such sums as may be necessary for fiscal
13 year 2006 and each of the 5 succeeding fiscal years.”.

14 **SEC. 621. DEFINITIONS.**

15 Section 631 (20 U.S.C. 1132) is amended—

16 (1) by redesignating paragraphs (2), (3), (4),
17 (5), (6), (7), (8), and (9), as paragraphs (8), (5),
18 (9), (2), (11), (3), (7), and (4), respectively;

19 (2) in paragraph (2), as redesignated by para-
20 graph (1), by striking “comprehensive language and
21 area center” and inserting “comprehensive foreign
22 language and area or international studies center”;

23 (3) in paragraph (11), as redesignated by para-
24 graph (1), by striking “undergraduate language and
25 area center” and inserting “undergraduate foreign
26 language and area or international studies center”;

1 (4) in paragraph (3), as redesignated by para-
 2 graph (1), by striking the first occurrence of the
 3 term “critical languages” and inserting “critical for-
 4 eign languages”;

5 (5) in paragraph (7), as redesignated by para-
 6 graph (1), by striking “and” after the semicolon;

7 (6) in paragraph (4), as redesignated by para-
 8 graph (1), by striking the period at the end and in-
 9 serting a semicolon;

10 (7) by inserting after paragraph (5), as redesign-
 11 ated by paragraph (1), the following:

12 “(6) the term ‘historically Black college and
 13 university’ has the meaning given the term ‘part B
 14 institution’ in section 322;” and

15 (8) by inserting after paragraph (9), as redesign-
 16 ated by paragraph (1), the following:

17 “(10) the term ‘tribally controlled college or
 18 university’ has the meaning given the term in sec-
 19 tion 2 of the Tribally Controlled College or Univer-
 20 sity Assistance Act of 1978 (25 U.S.C. 1801); and”.

21 **SEC. 622. ASSESSMENT AND ENFORCEMENT.**

22 Part D of title VI (20 U.S.C. 1132) is amended by
 23 adding at the end the following:

1 **“SEC. 632. ASSESSMENT; ENFORCEMENT; RULE OF CON-**
2 **STRUCTION.**

3 “(a) IN GENERAL.—The Secretary is authorized to
4 assess and ensure compliance with all the conditions and
5 terms of grants provided under this title. If a complaint
6 regarding activities funded under this title is not resolved
7 under the process outlined in the relevant grantee’s appli-
8 cation, and such complaint is filed with the Department,
9 the Secretary shall be notified, and is authorized, when
10 circumstances warrant, to immediately suspend future
11 funding for the grant pending resolution of such dispute.
12 Such resolution shall not exceed 60 days. The Secretary
13 shall take the outcomes of such complaints into account
14 when determining the renewal of grants.

15 “(b) RULE OF CONSTRUCTION.—Nothing in this title
16 shall be construed to authorize the Secretary to mandate,
17 direct, or control an institution of higher education’s spe-
18 cific instructional content, curriculum, or program of in-
19 struction.

20 **“SEC. 633. EVALUATION, OUTREACH, AND INFORMATION.**

21 “The Secretary may use not more than 1 percent of
22 the funds made available under this title to carry out pro-
23 gram evaluation, national outreach, and information dis-
24 semination activities relating to the programs authorized
25 under this title.”.

1 **TITLE VII—GRADUATE AND**
 2 **POSTSECONDARY IMPROVE-**
 3 **MENT PROGRAMS**

4 **SEC. 701. PURPOSE.**

5 Section 700(1)(B)(i) (20 U.S.C. 1133(1)(B)(i)) is
 6 amended by inserting “, including those areas critical to
 7 United States national and homeland security needs such
 8 as mathematics, science, and engineering” before the
 9 semicolon at the end.

10 **SEC. 702. ALLOCATION OF JACOB K. JAVITS FELLOWSHIPS.**

11 Section 702(a)(1) (20 U.S.C. 1134a(a)(1)) is amend-
 12 ed to read as follows:

13 “(1) APPOINTMENT.—

14 “(A) IN GENERAL.—The Secretary shall
 15 appoint a Jacob K. Javits Fellows Program
 16 Fellowship Board (referred to in this subpart as
 17 the ‘Board’) consisting of 9 individuals rep-
 18 resentative of both public and private institu-
 19 tions of higher education who are especially
 20 qualified to serve on the Board.

21 “(B) QUALIFICATIONS.—In making ap-
 22 pointments under subparagraph (A), the Sec-
 23 retary shall—

1 “(i) give due consideration to the ap-
 2 pointment of individuals who are highly re-
 3 spected in the academic community;

4 “(ii) assure that individuals appointed
 5 to the Board are broadly representative of
 6 a range of disciplines in graduate edu-
 7 cation in arts, humanities, and social
 8 sciences;

9 “(iii) appoint members to represent
 10 the various geographic regions of the
 11 United States; and

12 “(iv) include representatives from mi-
 13 nority institutions, as defined in section
 14 365.”.

15 **SEC. 703. STIPENDS.**

16 Section 703(a) (20 U.S.C. 1134b(a)) is amended by
 17 striking “graduate fellowships” and inserting “Graduate
 18 Research Fellowship Program”.

19 **SEC. 704. AUTHORIZATION OF APPROPRIATIONS FOR THE**
 20 **JACOB K. JAVITS FELLOWSHIP PROGRAM.**

21 Section 705 (20 U.S.C. 1134d) is amended by strik-
 22 ing “\$30,000,000 for fiscal year 1999” and all that fol-
 23 lows through the period and inserting “such sums as may
 24 be necessary for fiscal year 2006 and each of the 5 suc-
 25 ceeding fiscal years to carry out this subpart.”.

1 **SEC. 705. INSTITUTIONAL ELIGIBILITY UNDER THE GRAD-**
2 **UATE ASSISTANCE IN AREAS OF NATIONAL**
3 **NEED PROGRAM.**

4 Section 712(b) (20 U.S.C. 1135a(b)) is amended to
5 read as follows:

6 “(b) DESIGNATION OF AREAS OF NATIONAL
7 NEED.—After consultation with appropriate Federal and
8 nonprofit agencies and organizations, including the Na-
9 tional Science Foundation, the Department of Defense,
10 the Department of Homeland Security, the National Acad-
11 emy of Sciences, and the Bureau of Labor Statistics, the
12 Secretary shall designate areas of national need. In mak-
13 ing such designations, the Secretary shall take into consid-
14 eration—

15 “(1) the extent to which the interest in the area
16 is compelling;

17 “(2) the extent to which other Federal pro-
18 grams support postbaccalaureate study in the area
19 concerned;

20 “(3) an assessment of how the program may
21 achieve the most significant impact with available re-
22 sources; and

23 “(4) an assessment of current and future pro-
24 fessional workforce needs of the United States.”.

25 **SEC. 706. AWARDS TO GRADUATE STUDENTS.**

26 Section 714 (20 U.S.C. 1135c) is amended—

1 (1) in subsection (b)—

2 (A) by striking “1999–2000” and inserting
3 “2006–2007”; and

4 (B) by striking “graduate fellowships” and
5 inserting “Graduate Research Fellowship Pro-
6 gram”; and

7 (2) in subsection (c)—

8 (A) by striking “716(a)” and inserting
9 “715(a)”; and

10 (B) by striking “714(b)(2)” and inserting
11 “713(b)(2)”.

12 **SEC. 707. ADDITIONAL ASSISTANCE FOR COST OF EDU-**
13 **CATION.**

14 Section 715(a)(1) (20 U.S.C. 1135d(a)(1)) is amend-
15 ed—

16 (1) by striking “1999–2000” and inserting
17 “2006–2007”; and

18 (2) by striking “1998–1999” and inserting
19 “2005–2006”.

20 **SEC. 708. AUTHORIZATION OF APPROPRIATIONS FOR THE**
21 **GRADUATE ASSISTANCE IN AREAS OF NA-**
22 **TIONAL NEED PROGRAM.**

23 Section 716 (20 U.S.C. 1135e) is amended by strik-
24 ing “\$35,000,000 for fiscal year 1999” and all that fol-
25 lows through the period and inserting “such sums as may

1 be necessary for fiscal year 2006 and each of the 5 suc-
2 ceeding fiscal years to carry out this subpart.”.

3 **SEC. 709. AUTHORIZATION OF APPROPRIATIONS FOR THE**
4 **THURGOOD MARSHALL LEGAL EDUCATIONAL**
5 **OPPORTUNITY PROGRAM.**

6 Section 721(h) (20 U.S.C. 1136(h)) is amended by
7 striking “\$5,000,000 for fiscal year 1999” and all that
8 follows through the period and inserting “such sums as
9 may be necessary for fiscal year 2006 and each of the 5
10 succeeding fiscal years.”.

11 **SEC. 710. FUND FOR THE IMPROVEMENT OF POSTSEC-**
12 **ONDARY EDUCATION.**

13 Section 741(a) (20 U.S.C. 1138(a)) is amended—

14 (1) by striking paragraph (3) and inserting the
15 following:

16 “(3) the establishment and continuation of in-
17 stitutions, programs, consortia, collaborations, and
18 other joint efforts based on the technology of com-
19 munications, including those efforts that utilize dis-
20 tance education and technological advancements to
21 educate and train postsecondary students (including
22 health professionals serving medically underserved
23 populations);”;

24 (2) in paragraph (7), by striking “and” after
25 the semicolon;

1 (3) in paragraph (8), by striking the period at
2 the end and inserting a semicolon; and

3 (4) by adding at the end the following:

4 “(9) the introduction of reforms in remedial
5 education, including English language instruction, to
6 customize remedial courses to student goals and help
7 students progress rapidly from remedial courses into
8 core courses and through program completion; and

9 “(10) the creation of consortia that join diverse
10 institutions of higher education for the purpose of
11 integrating curricular and co-curricular interdiscipli-
12 nary study.”.

13 **SEC. 711. SPECIAL PROJECTS.**

14 Section 744(c) (20 U.S.C. 1138c) is amended to read
15 as follows:

16 “(c) AREAS OF NATIONAL NEED.—Areas of national
17 need shall include, at a minimum, the following:

18 “(1) Institutional restructuring to improve
19 learning and promote productivity, efficiency, quality
20 improvement, and cost and price control.

21 “(2) Improvements in academic instruction and
22 student learning, including efforts designed to assess
23 the learning gains made by postsecondary students.

24 “(3) Articulation between 2- and 4-year institu-
25 tions of higher education, including developing inno-

1 vative methods for ensuring the successful transfer
 2 of students from 2- to 4-year institutions of higher
 3 education.

4 “(4) Development, evaluation and dissemination
 5 of model programs, including model core curricula
 6 that—

7 “(A) provide students with a broad and in-
 8 tegrated knowledge base;

9 “(B) include, at a minimum, broad survey
 10 courses in English literature, American and
 11 world history, American political institutions,
 12 economics, philosophy, college-level mathe-
 13 matics, and the natural sciences; and

14 “(C) include sufficient study of a foreign
 15 language to lead to reading and writing com-
 16 petency in the foreign language.

17 “(5) International cooperation and student ex-
 18 changes among postsecondary educational institu-
 19 tions.”.

20 **SEC. 712. AUTHORIZATION OF APPROPRIATIONS FOR THE**
 21 **FUND FOR THE IMPROVEMENT OF POSTSEC-**
 22 **ONDARY EDUCATION.**

23 Section 745 (20 U.S.C. 1138d) is amended by strik-
 24 ing “\$30,000,000 for fiscal year 1999” and all that fol-
 25 lows through the period and inserting “such sums as may

1 be necessary for fiscal year 2006 and each of the 5 suc-
 2 ceeding fiscal years.”.

3 **SEC. 713. AUTHORIZATION OF APPROPRIATIONS FOR THE**
 4 **URBAN COMMUNITY SERVICE PROGRAM.**

5 Section 759 (20 U.S.C. 1139h) is amended by strik-
 6 ing “\$20,000,000 for fiscal year 1999” and all that fol-
 7 lows through the period and inserting “such sums as may
 8 be necessary for fiscal year 2006 and each of the 5 suc-
 9 ceeding fiscal years to carry out this part.”.

10 **SEC. 714. GRANTS AUTHORIZED FOR DEMONSTRATION**
 11 **PROJECTS TO ENSURE STUDENTS WITH DIS-**
 12 **ABILITIES RECEIVE A QUALITY HIGHER EDU-**
 13 **CATION.**

14 Section 762 (20 U.S.C. 1140a) is amended—

15 (1) in subsection (b)—

16 (A) in paragraph (2)—

17 (i) in subparagraph (A), by striking
 18 “to teach students with disabilities” and
 19 inserting “to teach and meet the academic
 20 and programmatic needs of students with
 21 disabilities in order to improve retention
 22 and completion of postsecondary edu-
 23 cation”;

1 (ii) by redesignating subparagraphs
 2 (B) and (C) as subparagraphs (C) and
 3 (F), respectively;

4 (iii) by inserting after subparagraph
 5 (A) the following:

6 “(B) EFFECTIVE TRANSITION PRAC-
 7 TICES.—The development of innovative and ef-
 8 fective teaching methods and strategies to en-
 9 sure the successful transition of students with
 10 disabilities from secondary school to postsec-
 11 ondary education.”;

12 (iv) in subparagraph (C), as redesign-
 13 nated by clause (ii), by striking the period
 14 at the end and inserting “, including data
 15 on the postsecondary education of and im-
 16 pact on subsequent employment of stu-
 17 dents with disabilities. Such research, in-
 18 formation, and data shall be made publicly
 19 available and accessible.”;

20 (v) by inserting after subparagraph
 21 (C), as redesignated by clause (ii), the fol-
 22 lowing:

23 “(D) DISTANCE LEARNING.—The develop-
 24 ment of innovative and effective teaching meth-
 25 ods and strategies to provide faculty and ad-

1 administrators with the ability to provide acces-
2 sible distance education programs or classes
3 that would enhance access of students with dis-
4 abilities to higher education, including the use
5 of accessible curriculum and electronic commu-
6 nication for instruction and advisement.

7 “(E) DISABILITY CAREER PATHWAYS.—
8 Training and providing support to secondary
9 and postsecondary staff to encourage interest
10 in, enhance awareness and understanding of,
11 provide educational opportunities in, teach prac-
12 tical skills related to, and offer work-based op-
13 portunities in, disability related fields, among
14 students, including students with disabilities.
15 Such training and support may include devel-
16 oping means to offer students credit-bearing,
17 college-level coursework, and career and edu-
18 cational counseling.”; and

19 (vi) by adding at the end the fol-
20 lowing:

21 “(G) ACCESSIBILITY OF EDUCATION.—
22 Making postsecondary education more acces-
23 sible to students with disabilities through cur-
24 riculum development.”; and

1 (B) in paragraph (3), by striking “sub-
2 paragraphs (A) through (C)” and inserting
3 “subparagraphs (A) through (G)”; and
4 (2) by adding at the end the following:

5 “(d) REPORT.—The Secretary shall prepare and dis-
6 seminate a report reviewing the activities of the dem-
7 onstration projects authorized under this part and pro-
8 viding guidance and recommendations on how successful
9 projects can be replicated.”.

10 **SEC. 715. APPLICATIONS FOR DEMONSTRATION PROJECTS**
11 **TO ENSURE STUDENTS WITH DISABILITIES**
12 **RECEIVE A QUALITY HIGHER EDUCATION.**

13 Section 763 (20 U.S.C. 1140b) is amended—

14 (1) by striking paragraph (1) and inserting the
15 following:

16 “(1) a description of how such institution plans
17 to address the activities allowed under this part;”;

18 (2) in paragraph (2), by striking “and” after
19 the semicolon;

20 (3) in paragraph (3), by striking the period at
21 the end and inserting “; and”; and

22 (4) by adding at the end the following:

23 “(4) a description of the extent to which the in-
24 stitution will work to replicate the research based
25 and best practices of institutions of higher education

1 with demonstrated success in serving students with
2 disabilities.”.

3 **SEC. 716. AUTHORIZATION OF APPROPRIATIONS FOR THE**
4 **DEMONSTRATION PROJECTS TO ENSURE**
5 **STUDENTS WITH DISABILITIES RECEIVE A**
6 **QUALITY HIGHER EDUCATION.**

7 Section 765 (20 U.S.C. 1140d) is amended by strik-
8 ing “\$10,000,000 for fiscal year 1999” and all that fol-
9 lows through the period and inserting “such sums as may
10 be necessary for fiscal year 2006 and each of the 5 suc-
11 ceeding fiscal years.”.

12 **TITLE VIII—MISCELLANEOUS**

13 **SEC. 801. MATHEMATICS AND SCIENCE SCHOLARS PRO-**
14 **GRAM.**

15 The Act (20 U.S.C. 1001 et seq.) is amended by add-
16 ing at the end the following:

17 **“TITLE VIII—MISCELLANEOUS**

18 **“PART A—MATHEMATICS AND SCIENCE**

19 **SCHOLARS PROGRAM**

20 **“SEC. 811. MATHEMATICS AND SCIENCE SCHOLARS PRO-**
21 **GRAM.**

22 **“(a) PROGRAM AUTHORIZED.—**The Secretary is au-
23 **thorized to award grants to States, on a competitive basis,**
24 **to enable the States to award eligible students, who com-**

1 plete a rigorous secondary school curriculum in mathe-
2 matics and science, scholarships for undergraduate study.

3 “(b) ELIGIBLE STUDENTS.—A student is eligible for
4 a scholarship under this section if the student is a full-
5 time undergraduate student in the student’s first and sec-
6 ond year of study who has completed a rigorous secondary
7 school curriculum in mathematics and science.

8 “(c) RIGOROUS CURRICULUM.—Each participating
9 State shall determine the requirements for a rigorous sec-
10 ondary school curriculum in mathematics and science de-
11 scribed in subsection (b).

12 “(d) PRIORITY FOR SCHOLARSHIPS.—The Governor
13 of a State may set a priority for awarding scholarships
14 under this section for particular eligible students, such as
15 students attending schools in high-need areas, students
16 who are from groups underrepresented in the fields of
17 mathematics, science, and engineering, students served by
18 local educational agencies that do not meet or exceed State
19 standards in mathematics and science, or students with
20 regional or geographic needs as determined appropriate by
21 the Governor.

22 “(e) AMOUNT AND DURATION OF SCHOLARSHIP.—
23 The Secretary shall award a grant under this section—

24 “(1) in an amount that does not exceed \$1,000;

25 and

1 “(2) for not more than 2 years of under-
2 graduate study.

3 “(f) MATCHING REQUIREMENT.—In order to receive
4 a grant under this section, a State shall provide matching
5 funds for the scholarships awarded under this section in
6 an amount equal to 50 percent of the Federal funds re-
7 ceived.

8 “(g) AUTHORIZATION.—There are authorized to be
9 appropriated to carry out this section such sums as may
10 be necessary for fiscal year 2006 and each of the 5 suc-
11 ceeding fiscal years.

12 **“PART B—POSTSECONDARY EDUCATION**

13 **ASSESSMENT**

14 **“SEC. 821. POSTSECONDARY EDUCATION ASSESSMENT.**

15 “(a) CONTRACT FOR ASSESSMENT.—The Secretary
16 shall enter into a contract, with an independent, bipartisan
17 organization with specific expertise in public administra-
18 tion and financial management, to carry out an inde-
19 pendent assessment of the cost factors associated with the
20 cost of tuition at institutions of higher education.

21 “(b) TIMEFRAME.—The Secretary shall enter into
22 the contract described in subsection (a) not later than 90
23 days after the date of enactment of the Higher Education
24 Amendments of 2005.

1 “(c) MATTERS ASSESSED.—The assessment de-
2 scribed in subsection (a) shall—

3 “(1) examine the key elements driving the cost
4 factors associated with the cost of tuition at institu-
5 tions of higher education during academic year 2000
6 and succeeding academic years;

7 “(2) identify and evaluate measures being used
8 to control postsecondary education costs;

9 “(3) identify and evaluate effective measures
10 that may be utilized to control postsecondary edu-
11 cation costs in the future; and

12 “(4) identify systemic approaches to monitor
13 future postsecondary education costs trends and
14 postsecondary education cost control mechanisms.

15 **“PART C—JOB SKILL TRAINING IN HIGH-GROWTH**
16 **OCCUPATIONS OR INDUSTRIES**

17 **“SEC. 831. JOB SKILL TRAINING IN HIGH-GROWTH OCCUPA-**
18 **TIONS OR INDUSTRIES.**

19 “(a) GRANTS AUTHORIZED.—The Secretary is au-
20 thorized to award grants, on a competitive basis, to eligible
21 partnerships to enable the eligible partnerships to provide
22 relevant job skill training in high-growth industries or oc-
23 cupations.

24 “(b) DEFINITIONS.—In this section:

1 “(1) ELIGIBLE PARTNERSHIP.—The term ‘eligi-
2 ble partnership’ means a partnership—

3 “(A) between an institution of higher edu-
4 cation and a local board (as such term is de-
5 fined in section 101 of the Workforce Invest-
6 ment Act of 1998); or

7 “(B) if an institution of higher education
8 is located within a State that does not operate
9 local boards, between the institution of higher
10 education and a State board (as such term is
11 defined in section 101 of the Workforce Invest-
12 ment Act of 1998).

13 “(2) NONTRADITIONAL STUDENT.—The term
14 ‘nontraditional student’ means a student who—

15 “(A) is independent, as defined in section
16 480(d);

17 “(B) attends an institution of higher edu-
18 cation—

19 “(i) on less than a full-time basis;

20 “(ii) via evening, weekend, modular,
21 or compressed courses; or

22 “(iii) via distance learning methods;
23 or

24 “(C) has delayed enrollment at an institu-
25 tion of higher education.

1 “(3) INSTITUTION OF HIGHER EDUCATION.—

2 The term ‘institution of higher education’ means an
3 institution of higher education, as defined in section
4 101(b), that offers a 1- or 2-year program of study
5 leading to a degree or certificate.

6 “(c) APPLICATION.—

7 “(1) IN GENERAL.—Each eligible partnership
8 that desires a grant under this section shall submit
9 an application to the Secretary at such time, in such
10 manner, and accompanied by such additional infor-
11 mation as the Secretary may require.

12 “(2) CONTENTS.—Each application submitted
13 under paragraph (1) shall include a description of—

14 “(A) how the eligible partnership, through
15 the institution of higher education, will provide
16 relevant job skill training for students to enter
17 high-growth occupations or industries;

18 “(B) local high-growth occupations or in-
19 dustries; and

20 “(C) the need for qualified workers to meet
21 the local demand of high-growth occupations or
22 industries.

23 “(d) AWARD BASIS.—In awarding grants under this
24 section, the Secretary shall—

1 “(1) ensure an equitable distribution of grant
2 funds under this section among urban and rural
3 areas of the United States; and

4 “(2) take into consideration the capability of
5 the institution of higher education—

6 “(A) to offer relevant, high quality instruc-
7 tion and job skill training for students entering
8 a high-growth occupation or industry;

9 “(B) to involve the local business commu-
10 nity and to place graduates in the community
11 in employment in high-growth occupations or
12 industries;

13 “(C) to provide secondary students with
14 dual-enrollment or concurrent enrollment op-
15 tions;

16 “(D) to serve nontraditional or low-income
17 students, or adult or displaced workers; and

18 “(E) to serve students from rural or re-
19 mote communities.

20 “(e) USE OF FUNDS.—Grant funds provided under
21 this section may be used—

22 “(1) to expand or create academic programs or
23 programs of training that provide relevant job skill
24 training for high-growth occupations or industries;

1 “(2) to purchase equipment which will facilitate
2 the development of academic programs or programs
3 of training that provide training for high-growth oc-
4 cupations or industries;

5 “(3) to support outreach efforts that enable
6 students to attend institutions of higher education
7 with academic programs or programs of training fo-
8 cused on high-growth occupations or industries;

9 “(4) to expand or create programs for distance,
10 evening, weekend, modular, or compressed learning
11 opportunities that provide relevant job skill training
12 in high-growth occupations or industries;

13 “(5) to build partnerships with local businesses
14 in high-growth occupations or industries;

15 “(6) to support curriculum development related
16 to entrepreneurial training; and

17 “(7) for other uses that the Secretary deter-
18 mines to be consistent with the intent of this section.

19 “(f) REQUIREMENTS.—

20 “(1) FISCAL AGENT.—For the purpose of this
21 section, the institution of higher education in an eli-
22 gible partnership shall serve as the fiscal agent and
23 grant recipient for the eligible partnership.

1 “(2) DURATION.—The Secretary shall award
2 grants under this section for periods that may not
3 exceed 5 years.

4 “(3) SUPPLEMENT, NOT SUPPLANT.—Funds
5 made available under this section shall be used to
6 supplement and not supplant other Federal, State,
7 and local funds available to the eligible partnership
8 for carrying out the activities described in subsection
9 (e).

10 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
11 are authorized to be appropriated to carry out this part
12 such sums as may be necessary for fiscal year 2006 and
13 each of the 5 succeeding fiscal years.

14 **“PART D—GRANT PROGRAM TO INCREASE STU-**
15 **DENT RETENTION AND PROMOTE ARTICULA-**
16 **TION AGREEMENTS**

17 **“SEC. 841. GRANT PROGRAM TO INCREASE STUDENT RE-**
18 **TENTION AND PROMOTE ARTICULATION**
19 **AGREEMENTS.**

20 “(a) AUTHORIZATION OF PROGRAM.—The Secretary
21 shall award grants, on a competitive basis, to eligible insti-
22 tutions to enable the institutions to—

23 “(1) focus on increasing traditional and non-
24 traditional student retention at such institutions;
25 and

1 “(2) promote articulation agreements among
 2 different institutions that will increase the likelihood
 3 of progression of students at such institutions to
 4 baccalaureate degrees.

5 “(b) DEFINITION OF ELIGIBLE INSTITUTION.—In
 6 this section, the term ‘eligible institution’ means an insti-
 7 tution of higher education (as defined in section 101(a))
 8 where not less than 40 percent of such institution’s stu-
 9 dent body receives financial aid under subpart 1 of part
 10 A of title IV.

11 “(c) APPLICATION.—An eligible institution that de-
 12 sires a grant under this section shall submit an application
 13 to the Secretary at such time, in such manner, and con-
 14 taining such information as the Secretary may require, in-
 15 cluding the number of students proposed to be served and
 16 a description of the services that will be provided.

17 “(d) MANDATORY ACTIVITIES.—An eligible institu-
 18 tion that receives a grant under this section shall use the
 19 grant funds to carry out each of the following:

20 “(1) Offering counseling and advisement serv-
 21 ices to help students adapt to postsecondary edu-
 22 cation and select appropriate coursework.

23 “(2) Making mentors available to students who
 24 are at risk for not completing a degree.

1 “(3) Providing detailed assistance to students
2 who request help in understanding—

3 “(A) the options for financing their edu-
4 cation, including information on grants, loans,
5 and loan repayment programs;

6 “(B) the process of applying for financial
7 assistance;

8 “(C) the outcome of their financial assist-
9 ance application; and

10 “(D) any unanticipated problems related to
11 financing their education that arise.

12 “(4) Offering tutoring to students at risk of
13 dropping out of school with any course or subject.

14 “(5) Designing and implementing innovative
15 ways to improve retention in and completion of
16 courses, such as enrolling students in cohorts, pro-
17 viding counseling, or creating bridge programs that
18 customize courses to the needs of special population
19 students.

20 “(6) Conducting outreach activities so that all
21 students know that these services are available and
22 are aware of how to access the services.

23 “(7) Creating articulation agreements to pro-
24 mote smooth transition from two year to four year
25 programs.

1 “(8) Making services listed in paragraphs (1)
2 through (5) available in students’ native languages,
3 if it is not English, if the percentage of students
4 needing translation services in a specific language
5 exceeds 5 percent.

6 “(e) PERMISSIBLE ACTIVITIES.—An eligible institu-
7 tion that receives a grant under this section may use grant
8 funds to carry out any of the following activities:

9 “(1) Designing innovative course schedules to
10 meet the needs of working adults, such as online,
11 modular, compressed, or other alternative methods.

12 “(2) Offering childcare during the hours when
13 students have class or are studying.

14 “(3) Providing transportation assistance to stu-
15 dents that helps such students manage their sched-
16 ules.

17 “(4) Partnering with local businesses to create
18 flexible work-hour programs so that students can
19 balance work and school.

20 “(5) Offering time management or financial lit-
21 eracy seminars to help students improve their man-
22 agement skills.

23 “(6) Improving professional development to
24 align instruction with innovative program designs.

1 “(7) Any other activities the Secretary believes
2 will promote retention of students attending eligible
3 institutions.

4 “(f) TECHNICAL ASSISTANCE.—The Secretary may
5 enter into a contract with a private entity to provide such
6 technical assistance to grantees under this section as the
7 Secretary determines appropriate.

8 “(g) EVALUATION.—The Secretary shall conduct an
9 evaluation of program impacts under the demonstration
10 program, and shall disseminate to the public the findings
11 from the evaluation and information on best practices.

12 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
13 is authorized to be appropriated to carry out this and such
14 sums as may be necessary for fiscal year 2006 and each
15 of the 5 succeeding fiscal years.

16 **“PART E—AMERICAN HISTORY FOR FREEDOM**

17 **“SEC. 851. AMERICAN HISTORY FOR FREEDOM.**

18 “(a) GRANTS AUTHORIZED.—The Secretary is au-
19 thorized to award 3-year grants, on a competitive basis,
20 to eligible institutions to establish or strengthen postsec-
21 ondary academic programs or centers that promote and
22 impart knowledge of—

23 “(1) traditional American history;

24 “(2) the history and nature of, and threats to,
25 free institutions; or

1 “(3) the history and achievements of Western
2 civilization.

3 “(b) DEFINITIONS.—In this section:

4 “(1) ELIGIBLE INSTITUTION.—The term ‘eligi-
5 ble institution’ means an institution of higher edu-
6 cation as defined in section 101.

7 “(2) FREE INSTITUTION.—The term ‘free insti-
8 tution’ means an institution that emerged out of
9 Western civilization, such as democracy, constitu-
10 tional government, individual rights, market econom-
11 ics, religious freedom and religious tolerance, and
12 freedom of thought and inquiry.

13 “(3) TRADITIONAL AMERICAN HISTORY.—The
14 term ‘traditional American history’ means—

15 “(A) the significant constitutional, polit-
16 ical, intellectual, economic, and foreign policy
17 trends and issues that have shaped the course
18 of American history; and

19 “(B) the key episodes, turning points, and
20 leading figures involved in the constitutional,
21 political, intellectual, diplomatic, and economic
22 history of the United States.

23 “(c) APPLICATION.—

24 “(1) IN GENERAL.—Each eligible institution
25 that desires a grant under this part shall submit an

1 application to the Secretary at such time, in such
2 manner, and accompanied by such additional infor-
3 mation as the Secretary may require.

4 “(2) CONTENTS.—Each application submitted
5 under subsection (a) shall include a description of —

6 “(A) how funds made available under this
7 part will be used for the activities set forth
8 under subsection (e), including how such activi-
9 ties will increase knowledge with respect to tra-
10 ditional American history, free institutions, or
11 Western civilization;

12 “(B) how the eligible institution will ensure
13 that information about the activities funded
14 under this part is widely disseminated pursuant
15 to subsection (e)(1)(B);

16 “(C) any activities to be undertaken pursu-
17 ant to subsection (e)(2)(A), including identifica-
18 tion of entities intended to participate;

19 “(D) how funds made available under this
20 part shall be used to supplement and not sup-
21 plant non-Federal funds available for the activi-
22 ties described in subsection (e); and

23 “(E) such fiscal controls and accounting
24 procedures as may be necessary to ensure prop-
25 er disbursement of and accounting for funding

1 made available to the eligible institution under
2 this part.

3 “(d) AWARD BASIS.—In awarding grants under this
4 part, the Secretary shall take into consideration the capa-
5 bility of the eligible institution to—

6 “(1) increase access to quality programming
7 that expands knowledge of traditional American his-
8 tory, free institutions, or Western civilization;

9 “(2) involve personnel with strong expertise in
10 traditional American history, free institutions, or
11 Western civilization; and

12 “(3) sustain the activities funded under this
13 part after the grant has expired.

14 “(e) USE OF FUNDS.—

15 “(1) REQUIRED USE OF FUNDS.—Funds pro-
16 vided under this part shall be used to—

17 “(A) establish or strengthen academic pro-
18 grams or centers focused on traditional Amer-
19 ican history, free institutions, or Western civili-
20 zation, which may include—

21 “(i) design and implementation of
22 programs of study, courses, lecture series,
23 seminars, and symposia;

24 “(ii) development, publication, and
25 dissemination of instructional materials;

1 “(iii) research;

2 “(iv) support for faculty teaching in
3 undergraduate and, if applicable, graduate
4 programs;

5 “(v) support for graduate and post-
6 graduate fellowships, if applicable; or

7 “(vi) teacher preparation initiatives
8 that stress content mastery regarding tra-
9 ditional American history, free institutions,
10 or Western civilization; and

11 “(B) conduct outreach activities to ensure
12 that information about the activities funded
13 under this part is widely disseminated—

14 “(i) to undergraduate students (in-
15 cluding students enrolled in teacher edu-
16 cation programs, if applicable);

17 “(ii) to graduate students (including
18 students enrolled in teacher education pro-
19 grams), if applicable;

20 “(iii) to faculty;

21 “(iv) to local educational agencies;

22 and

23 “(v) within the local community.

24 “(2) ALLOWABLE USES OF FUNDS.—Funds
25 provided under this part may be used to support—

1 “(A) collaboration with entities such as—

2 “(i) local educational agencies, for the
3 purpose of providing elementary, middle
4 and secondary school teachers an oppor-
5 tunity to enhance their knowledge of tradi-
6 tional American history, free institutions,
7 or Western civilization; and

8 “(ii) nonprofit organizations whose
9 mission is consistent with the purpose of
10 this part, such as academic organizations,
11 museums, and libraries, for assistance in
12 carrying out activities described under sub-
13 section (a); and

14 “(B) other activities that meet the pur-
15 poses of this part.

16 “(f) AUTHORIZATION OF APPROPRIATIONS.—For the
17 purpose of carrying out this part, there are authorized to
18 be appropriated such sums as may be necessary for fiscal
19 year 2006 and each of the 5 succeeding fiscal years.

20 **“PART F—TEACH FOR AMERICA**

21 **“SEC. 861. TEACH FOR AMERICA.**

22 “(a) DEFINITIONS.—

23 “(1) IN GENERAL.—The terms ‘highly quali-
24 fied’, ‘local educational agency’, and ‘Secretary’ have
25 the meanings given the terms in section 9101 of the

1 Elementary and Secondary Education Act of 1965
2 (20 U.S.C. 7801).

3 “(2) GRANTEE.—The term ‘grantee’ means
4 Teach For America, Inc.

5 “(3) HIGH NEED.—The term ‘high need’, when
6 used with respect to a local educational agency,
7 means a local educational agency experiencing a
8 shortage of highly qualified teachers.

9 “(b) GRANTS AUTHORIZED.—The Secretary is au-
10 thorized to award a grant to Teach For America, Inc.,
11 the national teacher corps of outstanding recent college
12 graduates who commit to teach for 2 years in underserved
13 communities in the United States, to implement and ex-
14 pand its program of recruiting, selecting, training, and
15 supporting new teachers.

16 “(c) REQUIREMENTS.—In carrying out the grant pro-
17 gram under subsection (b), the Secretary shall enter into
18 an agreement with the grantee under which the grantee
19 agrees to use the grant funds provided under this sec-
20 tion—

21 “(1) to provide highly qualified teachers to high
22 need local educational agencies in urban and rural
23 communities;

24 “(2) to pay the cost of recruiting, selecting,
25 training, and supporting new teachers; and

1 “(3) to serve a substantial number and percent-
2 age of underserved students.

3 “(d) AUTHORIZED ACTIVITIES.—

4 “(1) IN GENERAL.—Grant funds provided
5 under this section shall be used by the grantee to
6 carry out each of the following activities:

7 “(A) Recruiting and selecting teachers
8 through a highly selective national process.

9 “(B) Providing preservice training to the
10 teachers through a rigorous summer institute
11 that includes hands-on teaching experience and
12 significant exposure to education coursework
13 and theory.

14 “(C) Placing the teachers in schools and
15 positions designated by partner local edu-
16 cational agencies as high need placements serv-
17 ing underserved students.

18 “(D) Providing ongoing professional devel-
19 opment activities for the teachers’ first 2 years
20 in the classroom, including regular classroom
21 observations and feedback, and ongoing train-
22 ing and support.

23 “(2) LIMITATION.—The grantee shall use all
24 grant funds received under this section to support
25 activities related directly to the recruitment, selec-

1 tion, training, and support of teachers as described
2 in subsection (a).

3 “(e) REPORTS AND EVALUATIONS.—

4 “(1) ANNUAL REPORT.—The grantee shall pro-
5 vide to the Secretary an annual report that in-
6 cludes—

7 “(A) data on the number and quality of
8 the teachers provided to local educational agen-
9 cies through a grant under this section;

10 “(B) an externally conducted analysis of
11 the satisfaction of local educational agencies
12 and principals with the teachers so provided;
13 and

14 “(C) comprehensive data on the back-
15 ground of the teachers chosen, the training the
16 teachers received, the placement sites of the
17 teachers, the professional development of the
18 teachers, and the retention of the teachers.

19 “(2) STUDY.—

20 “(A) IN GENERAL.—From funds appro-
21 priated under subsection (f), the Secretary shall
22 provide for a study that examines the achieve-
23 ment levels of the students taught by the teach-
24 ers assisted under this section.

1 “(B) ACHIEVEMENT GAINS COMPARED.—

2 The study shall compare, within the same
3 schools, the achievement gains made by stu-
4 dents taught by teachers who are assisted
5 under this section with the achievement gains
6 made by students taught by teachers who are
7 not assisted under this section.

8 “(3) REQUIREMENTS.—The Secretary shall
9 provide for such a study not less than once every 3
10 years, and each such study shall include multiple
11 placement sites and multiple schools within place-
12 ment sites.

13 “(4) PEER REVIEW STANDARDS.—Each such
14 study shall meet the peer review standards of the
15 education research community.

16 “(f) AUTHORIZATION OF APPROPRIATIONS.—

17 “(1) IN GENERAL.—There are authorized to be
18 appropriated to carry out this section such sums as
19 may be necessary for fiscal year 2006 and each of
20 the 5 succeeding fiscal years.

21 “(2) LIMITATION.—The grantee shall not use
22 more than 25 percent of Federal funds from any
23 source for administrative costs.

1 **“PART G—PATSY T. MINK FELLOWSHIP PROGRAM**

2 **“SEC. 1. PATSY T. MINK FELLOWSHIP PROGRAM.**

3 “(a) PURPOSE.—

4 “(1) IN GENERAL.—It is the purpose of this
5 section to provide, through eligible institutions, a
6 program of fellowship awards to assist highly quali-
7 fied minorities and women to acquire the doctoral
8 degree, or highest possible degree available, in aca-
9 demic areas in which such individuals are underrep-
10 resented for the purpose of enabling such individuals
11 to enter the higher education professoriate.

12 “(2) DESIGNATION.—Each recipient of a fellow-
13 ship award from an eligible institution receiving a
14 grant under this section shall be known as a ‘Patsy
15 T. Mink Graduate Fellow’.

16 “(b) DEFINITIONS.—In this section, the term ‘eligible
17 institution’ means an institution of higher education, or
18 a consortium of such institutions, that offers a program
19 of postbaccalaureate study leading to a graduate degree.

20 “(c) PROGRAM AUTHORIZED.—

21 “(1) GRANTS BY SECRETARY.—

22 “(A) IN GENERAL.—The Secretary shall
23 award grants to eligible institutions to enable
24 such institutions to make fellowship awards to
25 individuals in accordance with the provisions of
26 this section.

1 “(B) PRIORITY CONSIDERATION.—In
 2 awarding grants under this section, the Sec-
 3 retary shall consider the eligible institution’s
 4 prior experience in producing doctoral degree,
 5 or highest possible degree available, holders who
 6 are minorities and women, and shall give pri-
 7 ority consideration in making grants under this
 8 section to those eligible institutions with a dem-
 9 onstrated record of producing minorities and
 10 women who have earned such degrees.

11 “(2) APPLICATIONS.—

12 “(A) IN GENERAL.—An eligible institution
 13 that desires a grant under this section shall
 14 submit an application to the Secretary at such
 15 time, in such manner, and containing such in-
 16 formation as the Secretary may require.

17 “(B) APPLICATIONS MADE ON BEHALF.—

18 “(i) IN GENERAL.—The following en-
 19 tities may submit an application on behalf
 20 of an eligible institution:

21 “(I) A graduate school or depart-
 22 ment of such institution.

23 “(II) A graduate school or de-
 24 partment of such institution in col-

1 laboration with an undergraduate col-
 2 lege or university of such institution.

3 “(III) An organizational unit
 4 within such institution that offers a
 5 program of postbaccalaureate study
 6 leading to a graduate degree, includ-
 7 ing an interdisciplinary or an inter-
 8 departmental program.

9 “(IV) A nonprofit organization
 10 with a demonstrated record of helping
 11 minorities and women earn
 12 postbaccalaureate degrees.

13 “(ii) NONPROFIT ORGANIZATIONS.—
 14 Nothing in this paragraph shall be con-
 15 strued to permit the Secretary to award a
 16 grant under this section to an entity other
 17 than an eligible institution.

18 “(3) SELECTION OF APPLICATIONS.—In award-
 19 ing grants under subsection (a), the Secretary
 20 shall—

21 “(A) take into account—

22 “(i) the number and distribution of
 23 minority and female faculty nationally;

1 “(ii) the current and projected need
 2 for highly trained individuals in all areas
 3 of the higher education professoriate; and

4 “(iii) the present and projected need
 5 for highly trained individuals in academic
 6 career fields in which minorities and
 7 women are underrepresented in the higher
 8 education professoriate; and

9 “(B) consider the need to prepare a large
 10 number of minorities and women generally in
 11 academic career fields of high national priority,
 12 especially in areas in which such individuals are
 13 traditionally underrepresented in college and
 14 university faculties, such as mathematics,
 15 science, technology, and engineering.

16 “(4) DISTRIBUTION AND AMOUNTS OF
 17 GRANTS.—

18 “(A) EQUITABLE DISTRIBUTION.—In
 19 awarding grants under this section, the Sec-
 20 retary shall, to the maximum extent feasible,
 21 ensure an equitable geographic distribution of
 22 awards and an equitable distribution among
 23 public and independent eligible institutions that
 24 apply for grants under this section and that

1 demonstrate an ability to achieve the purpose of
2 this section.

3 “(B) SPECIAL RULE.—To the maximum
4 extent practicable, the Secretary shall use not
5 less than 30 percent of the amount appro-
6 priated pursuant to subsection (f) to award
7 grants to eligible institutions that—

8 “(i) are eligible for assistance under
9 title III or title V; or

10 “(ii) have formed a consortium that
11 includes both non-minority serving institu-
12 tions and minority serving institutions.

13 “(C) ALLOCATION.—In awarding grants
14 under this section, the Secretary shall allocate
15 appropriate funds to those eligible institutions
16 whose applications indicate an ability to signifi-
17 cantly increase the numbers of minorities and
18 women entering the higher education professo-
19 riate and that commit institutional resources to
20 the attainment of the purpose of this section.

21 “(D) NUMBER OF FELLOWSHIP
22 AWARDS.—An eligible institution that receives a
23 grant under this section shall make not less
24 than 15 fellowship awards.

1 “(E) REALLOTMENT.—If the Secretary de-
2 termines that an eligible institution awarded a
3 grant under this section is unable to use all of
4 the grant funds awarded to the institution, the
5 Secretary shall reallocate, on such date during
6 each fiscal year as the Secretary may fix, the
7 unused funds to other eligible institutions that
8 demonstrate that such institutions can use any
9 reallocated grant funds to make fellowship
10 awards to individuals under this section.

11 “(5) INSTITUTIONAL ALLOWANCE.—

12 “(A) IN GENERAL.—

13 “(i) NUMBER OF ALLOWANCES.—In
14 awarding grants under this section, the
15 Secretary shall pay to each eligible institu-
16 tion awarded a grant, for each individual
17 awarded a fellowship by such institution
18 under this section, an institutional allow-
19 ance.

20 “(ii) AMOUNT.—Except as provided in
21 paragraph (3), an institutional allowance
22 shall be in an amount equal to, for aca-
23 demic year 2006–2007 and succeeding aca-
24 demic years, the amount of institutional al-
25 lowance made to an institution of higher

1 education under section 715 for such aca-
2 demic year.

3 “(B) USE OF FUNDS.—Institutional allow-
4 ances may be expended in the discretion of the
5 eligible institution and may be used to provide,
6 except as prohibited under paragraph (4), aca-
7 demic support and career transition services for
8 individuals awarded fellowships by such institu-
9 tion.

10 “(C) REDUCTION.—The institutional al-
11 lowance paid under paragraph (1) shall be re-
12 duced by the amount the eligible institution
13 charges and collects from a fellowship recipient
14 for tuition and other expenses as part of the re-
15 cipient’s instructional program.

16 “(D) USE FOR OVERHEAD PROHIBITED.—
17 Funds made available under this section may
18 not be used for general operational overhead of
19 the academic department or institution receiv-
20 ing funds under this section.

21 “(d) FELLOWSHIP RECIPIENTS.—

22 “(1) AUTHORIZATION.—An eligible institution
23 that receives a grant under this section shall use the
24 grant funds to make fellowship awards to minorities
25 and women who are enrolled at such institution in

1 a doctoral degree, or highest possible degree avail-
2 able, program and—

3 “(A) intend to pursue a career in instruc-
4 tion at—

5 “(i) an institution of higher education
6 (as the term is defined in section 101);

7 “(ii) an institution of higher education
8 (as the term is defined in section
9 102(a)(1));

10 “(iii) an institution of higher edu-
11 cation outside the United States (as the
12 term is described in section 102(a)(2)); or

13 “(iv) a proprietary institution of high-
14 er education (as the term is defined in sec-
15 tion 102(b)); and

16 “(B) sign an agreement with the Secretary
17 agreeing—

18 “(i) to begin employment at an insti-
19 tution described in paragraph (1) not later
20 than 3 years after receiving the doctoral
21 degree or highest possible degree available,
22 which 3-year period may be extended by
23 the Secretary for extraordinary cir-
24 cumstances; and

1 “(ii) to be employed by such institu-
2 tion for 1 year for each year of fellowship
3 assistance received under this section.

4 “(2) FAILURE TO COMPLY.—If an individual
5 who receives a fellowship award under this section
6 fails to comply with the agreement signed pursuant
7 to subsection (a)(2), then the Secretary shall do 1
8 or both of the following:

9 “(A) Require the individual to repay all or
10 the applicable portion of the total fellowship
11 amount awarded to the individual by converting
12 the balance due to a loan at the interest rate
13 applicable to loans made under part B of title
14 IV.

15 “(B) Impose a fine or penalty in an
16 amount to be determined by the Secretary.

17 “(3) WAIVER AND MODIFICATION.—

18 “(A) REGULATIONS.—The Secretary shall
19 promulgate regulations setting forth criteria to
20 be considered in granting a waiver for the serv-
21 ice requirement under subsection (a)(2).

22 “(B) CONTENT.—The criteria under para-
23 graph (1) shall include whether compliance with
24 the service requirement by the fellowship recipi-
25 ent would be—

1 “(i) inequitable and represent an ex-
2 traordinary hardship; or

3 “(ii) deemed impossible because the
4 individual is permanently and totally dis-
5 abled at the time of the waiver request.

6 “(4) AMOUNT OF FELLOWSHIP AWARDS.—Fel-
7 lowship awards under this section shall consist of a
8 stipend in an amount equal to the level of support
9 provided to the National Science Foundation grad-
10 uate fellows, except that such stipend shall be ad-
11 justed as necessary so as not to exceed the fellow’s
12 tuition and fees or demonstrated need (as deter-
13 mined by the institution of higher education where
14 the graduate student is enrolled), whichever is great-
15 er.

16 “(5) ACADEMIC PROGRESS REQUIRED.—An in-
17 dividual student shall not be eligible to receive a fel-
18 lowship award—

19 “(A) except during periods in which such
20 student is enrolled, and such student is main-
21 taining satisfactory academic progress in, and
22 devoting essentially full time to, study or re-
23 search in the pursuit of the degree for which
24 the fellowship support was awarded; and

1 “(B) if the student is engaged in gainful
2 employment, other than part-time employment
3 in teaching, research, or similar activity deter-
4 mined by the eligible institution to be consistent
5 with and supportive of the student’s progress
6 toward the appropriate degree.

7 “(e) RULE OF CONSTRUCTION.—Nothing in this sec-
8 tion shall be construed to require an eligible institution
9 that receives a grant under this section—

10 “(1) to grant a preference or to differentially
11 treat any applicant for a faculty position as a result
12 of the institution’s participation in the program
13 under this section; or

14 “(2) to hire a Patsy T. Mink Fellow who com-
15 pletes this program and seeks employment at such
16 institution.

17 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
18 is authorized to be appropriated to carry out this section
19 such sums as may be necessary for fiscal year 2006 for
20 each of the 5 succeeding fiscal years.

1 **“PART H—STUDY ON COLLEGE ENROLLMENT BY**
 2 **SECONDARY SCHOOLS**

3 **“SEC. 1. STUDY ON COLLEGE ENROLLMENT BY SECONDARY**
 4 **SCHOOLS.**

5 “The Secretary shall contract with a not-for-profit or-
 6 ganization, with demonstrated expertise in increasing col-
 7 lege enrollment rates in low-income communities nation-
 8 wide, to make publicly available year-to-year college enroll-
 9 ment rate trends by secondary schools, in full compliance
 10 with the Family Educational Rights and Privacy Act of
 11 1974 (FERPA).”.

12 **TITLE IX—AMENDMENTS TO**
 13 **OTHER LAWS**

14 **PART A—EDUCATION OF THE DEAF ACT OF 1986**

15 **SEC. 901. LAURENT CLERC NATIONAL DEAF EDUCATION**
 16 **CENTER.**

17 Section 104 of the Education of the Deaf Act of 1986
 18 (20 U.S.C. 4304) is amended—

19 (1) by striking the heading and inserting
 20 **“LAURENT CLERC NATIONAL DEAF EDUCATION**
 21 **CENTER”**;

22 (2) in subsection (a)(1)(A), by inserting “the
 23 Laurent Clerc National Deaf Education Center (re-
 24 ferred to in this section as the ‘Clerc Center’) to
 25 carry out” after “maintain and operate”; and

26 (3) in subsection (b)—

1 (A) in the matter preceding subparagraph
 2 (A) of paragraph (1), by striking “elementary
 3 and secondary education programs” and insert-
 4 ing “Clerc Center”;

5 (B) in paragraph (2), by striking “elemen-
 6 tary and secondary education programs” and
 7 inserting “Clerc Center”; and

8 (C) by adding at the end the following:

9 “(5) The University, for purposes of the elementary
 10 and secondary education programs carried out at the Clerc
 11 Center, shall—

12 “(A)(i) select challenging academic content
 13 standards, challenging student academic achieve-
 14 ment standards, and academic assessments of a
 15 State, adopted and implemented, as appropriate,
 16 pursuant to paragraphs (1) and (3) of section
 17 1111(b) of the Elementary and Secondary Edu-
 18 cation Act of 1965 (20 U.S.C. 6311(b)(1) and (3))
 19 and approved by the Secretary; and

20 “(ii) implement such standards and assess-
 21 ments for such programs by not later than the be-
 22 ginning of the 2008–2009 academic year;

23 “(B) annually determine whether such pro-
 24 grams at the Clerc Center are making adequate
 25 yearly progress, as determined according to the defi-

1 nition of adequate yearly progress defined (pursuant
 2 to section 1111(b)(2)(C) of such Act (20 U.S.C.
 3 6311(b)(2)(C))) by the State that has adopted and
 4 implemented the standards and assessments selected
 5 under subparagraph (A)(i); and

6 “(C) publicly report the results of the academic
 7 assessments implemented under subparagraph (A)
 8 and whether the programs at the Clerc Center are
 9 making adequate yearly progress, as determined
 10 under subparagraph (B).”.

11 **SEC. 902. AGREEMENT WITH GALLAUDET UNIVERSITY.**

12 Section 105(b)(4) of the Education of the Deaf Act
 13 of 1986 (20 U.S.C. 4305(b)(4)) is amended—

14 (1) by striking “the Act of March 3, 1931 (40
 15 U.S.C. 276a—276a-5) commonly referred to as the
 16 Davis-Bacon Act” and inserting “subchapter IV of
 17 chapter 31 of title 40, United States Code, com-
 18 monly referred to as the Davis-Bacon Act”; and

19 (2) by striking “section 2 of the Act of June
 20 13, 1934 (40 U.S.C. 276c)” and inserting “section
 21 3145 of title 40, United States Code”.

22 **SEC. 903. AGREEMENT FOR THE NATIONAL TECHNICAL IN-**
 23 **STITUTE FOR THE DEAF.**

24 Section 112 of the Education of the Deaf Act of 1986
 25 (20 U.S.C. 4332) is amended—

1 (1) in subsection (a)—

2 (A) in paragraph (1)—

3 (i) in the first sentence—

4 (I) by striking “an institution of
5 higher education” and inserting “the
6 Rochester Institute of Technology,
7 Rochester, New York”; and

8 (II) by striking “of a” and in-
9 serting “of the”; and

10 (ii) by striking the second sentence;

11 (B) by redesignating paragraph (2) as
12 paragraph (3); and

13 (C) by inserting after paragraph (1) the
14 following:

15 “(2) Notwithstanding the requirement under
16 paragraph (1), if the Secretary or the Rochester In-
17 stitute of Technology terminates the agreement
18 under paragraph (1), the Secretary shall consider
19 proposals from other institutions of higher education
20 and enter into an agreement with 1 of such institu-
21 tions for the establishment and operation of a Na-
22 tional Technical Institution for the Deaf.”; and

23 (2) in subsection (b)—

24 (A) in paragraph (3), by striking “Com-
25 mittee on Education and Labor of the House of

Representatives and to the Committee on Labor and Human Resources of the Senate” and inserting “Committee on Education and the Workforce of the House of Representatives and to the Committee on Health, Education, Labor, and Pensions of the Senate”; and

(B) in paragraph (5)—

(i) by striking “the Act of March 3, 1931 (40 U.S.C. 276a—276a-5) commonly referred to as the Davis-Bacon Act” and inserting “subchapter IV of chapter 31 of title 40, United States Code, commonly referred to as the Davis-Bacon Act”; and

(ii) by striking “section 2 of the Act of June 13, 1934 (40 U.S.C. 276c)” and inserting “section 3145 of title 40, United States Code”.

SEC. 904. CULTURAL EXPERIENCES GRANTS.

(a) CULTURAL EXPERIENCES GRANTS.—Title I of the Education of the Deaf Act of 1986 (20 U.S.C. 4301 et seq.) is amended by adding at the end the following:

“PART C—OTHER PROGRAMS**2 “SEC. 121. CULTURAL EXPERIENCES GRANTS.**

3 “(a) IN GENERAL.—The Secretary shall, on a com-
4 petitive basis, make grants to, and enter into contracts
5 and cooperative agreements with, eligible entities to sup-
6 port the activities described in subsection (b).

7 “(b) ACTIVITIES.—In carrying out this section, the
8 Secretary shall support activities providing cultural experi-
9 ences, through appropriate nonprofit organizations with a
10 demonstrated proficiency in providing such activities,
11 that—

12 “(1) enrich the lives of deaf and hard-of-hear-
13 ing children and adults;

14 “(2) increase public awareness and under-
15 standing of deafness and of the artistic and intellec-
16 tual achievements of deaf and hard-of-hearing per-
17 sons; or

18 “(3) promote the integration of hearing, deaf,
19 and hard-of-hearing persons through shared cul-
20 tural, educational, and social experiences.

21 “(c) APPLICATIONS.—An eligible entity that desires
22 to receive a grant, or enter into a contract or cooperative
23 agreement, under this section shall submit an application
24 to the Secretary at such time, in such manner, and con-
25 taining such information as the Secretary may require.

1 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
 2 are authorized to be appropriated to carry out this section
 3 such sums as may be necessary for fiscal year 2006 and
 4 each of the 5 succeeding fiscal years.”.

5 (b) CONFORMING AMENDMENT.—The title heading
 6 of title I of the Education of the Deaf Act of 1986 (20
 7 U.S.C. 4301 et seq.) is amended by adding at the end
 8 “; OTHER PROGRAMS”.

9 **SEC. 905. AUDIT.**

10 Section 203 of the Education of the Deaf Act of 1986
 11 (20 U.S.C. 4353) is amended—

12 (1) in subsection (b)—

13 (A) in paragraph (1), by striking the sec-
 14 ond sentence and inserting the following: “The
 15 institution of higher education that the Sec-
 16 retary has an agreement with under section 112
 17 shall have an annual independent financial and
 18 compliance audit made of NTID programs and
 19 activities. The audit shall follow the cycle of the
 20 Federal fiscal year.”;

21 (B) in paragraph (2), by striking “sec-
 22 tions” and all that follows through the period
 23 and inserting “sections 102(b), 105(b)(4),
 24 112(b)(5), 203(c), 207(b)(2), subsections (c)

1 through (f) of section 207, and subsections (b)
2 and (c) of section 209.”; and

3 (C) in paragraph (3), by inserting “and
4 the Committee on Education and the Workforce
5 of the House of Representatives and the Com-
6 mittee on Health, Education, Labor, and Pen-
7 sions of the Senate” after “Secretary”; and

8 (2) in subsection (c)(2)(A), by striking “Com-
9 mittee on Education and Labor of the House of
10 Representatives and the Committee on Labor and
11 Human Resources of the Senate” and inserting
12 “Committee on Education and the Workforce of the
13 House of Representatives and the Committee on
14 Health, Education, Labor, and Pensions of the Sen-
15 ate”.

16 **SEC. 906. REPORTS.**

17 Section 204 of the Education of the Deaf Act of 1986
18 (20 U.S.C. 4354) is amended—

19 (1) in the matter preceding paragraph (1), by
20 striking “Committee on Education and Labor of the
21 House of Representatives and the Committee on
22 Labor and Human Resources of the Senate” and in-
23 serting “Committee on Education and the Workforce
24 of the House of Representatives and the Committee

1 on Health, Education, Labor, and Pensions of the
2 Senate”;

3 (2) in paragraph (1), by striking “pre-
4 paratory,”;

5 (3) in paragraph (2)(C), by striking “upon
6 graduation/completion” and inserting “on the date
7 that is 1 year after the date of graduation or com-
8 pletion”; and

9 (4) in paragraph (3)(B), by striking “of the in-
10 stitution of higher education” and all that follows
11 through the period and inserting “of NTID pro-
12 grams and activities.”.

13 **SEC. 907. MONITORING, EVALUATION, AND REPORTING.**

14 Section 205 of the Education of the Deaf Act of 1986
15 (20 U.S.C. 4355) is amended—

16 (1) in subsection (b), by striking “The Sec-
17 retary, as part of the annual report required under
18 section 426 of the Department of Education Organi-
19 zation Act, shall include a description of” and in-
20 serting “The Secretary shall annually transmit infor-
21 mation to Congress on”; and

22 (2) in subsection (c), by striking “fiscal years
23 1998 through 2003” and inserting “fiscal years
24 2006 through 2010”.

1 **SEC. 908. LIAISON FOR EDUCATIONAL PROGRAMS.**

2 Section 206(a) of the Education of the Deaf Act of
3 1986 (20 U.S.C. 4356(a)) is amended by striking “Not
4 later than 30 days after the date of enactment of this Act,
5 the” and inserting “The”.

6 **SEC. 909. FEDERAL ENDOWMENT PROGRAMS FOR GAL-**
7 **LAUDET UNIVERSITY AND THE NATIONAL**
8 **TECHNICAL INSTITUTE FOR THE DEAF.**

9 Section 207(h) of the Education of the Deaf Act of
10 1986 (20 U.S.C. 4357(h)) is amended by striking “fiscal
11 years 1998 through 2003” each place it appears and in-
12 serting “fiscal years 2006 through 2010”.

13 **SEC. 910. OVERSIGHT AND EFFECT OF AGREEMENTS.**

14 Section 208(a) of the Education of the Deaf Act of
15 1986 (20 U.S.C. 4359(a)) is amended by striking “Com-
16 mittee on Labor and Human Resources of the Senate and
17 the Committee on Education and the Workforce of the
18 House of Representatives” and inserting “Committee on
19 Education and the Workforce of the House of Representa-
20 tives and the Committee on Health, Education, Labor,
21 and Pensions of the Senate”.

22 **SEC. 911. INTERNATIONAL STUDENTS.**

23 Section 209 of the Education of the Deaf Act of 1986
24 (20 U.S.C. 4359a) is amended—

25 (1) in subsection (a)—

1 (A) by striking “preparatory, under-
2 graduate,” and inserting “undergraduate”;

3 (B) by striking “Effective with” and in-
4 serting the following:

5 “(1) IN GENERAL.—Except as provided in para-
6 graph (2), effective with”; and

7 (C) by adding at the end the following:

8 “(2) DISTANCE LEARNING.—International stu-
9 dents who participate in distance learning courses
10 that are at NTID or the University and who are re-
11 siding outside of the United States shall—

12 “(A) not be counted as international stu-
13 dents for purposes of the cap on international
14 students under paragraph (1), except that in
15 any school year no United States citizen who
16 applies to participate in distance learning
17 courses that are at the University or NTID
18 shall be denied participation in such courses be-
19 cause of the participation of an international
20 student in such courses; and

21 “(B) not be charged a tuition surcharge,
22 as described in subsection (b).”; and

23 (2) by striking subsections (b), (c), and (d), and
24 inserting the following:

1 “(b) TUITION SURCHARGE.—Except as provided in
 2 subsections (a)(2)(B) and (c), the tuition for postsec-
 3 ondary international students enrolled in the University
 4 (including undergraduate and graduate students) or
 5 NTID shall include, for academic year 2007–2008 and
 6 any succeeding academic year, a surcharge of—

7 “(1) 100 percent for a postsecondary inter-
 8 national student from a non-developing country; and

9 “(2) 50 percent for a postsecondary inter-
 10 national student from a developing country.

11 “(c) REDUCTION OF SURCHARGE.—

12 “(1) IN GENERAL.—Beginning with the aca-
 13 demic year 2007–2008, the University or NTID may
 14 reduce the surcharge—

15 “(A) under subsection (b)(1) to 50 percent
 16 if—

17 “(i) a student described under sub-
 18 section (b)(1) demonstrates need; and

19 “(ii) such student has made a good
 20 faith effort to secure aid through such stu-
 21 dent’s government or other sources; and

22 “(B) under subsection (b)(2) to 25 percent
 23 if—

24 “(i) a student described under sub-
 25 section (b)(2) demonstrates need; and

1 “(ii) such student has made a good
2 faith effort to secure aid through such stu-
3 dent’s government or other sources.

4 “(2) DEVELOPMENT OF SLIDING SCALE.—The
5 University and NTID shall develop a sliding scale
6 model that—

7 “(A) will be used to determine the amount
8 of a tuition surcharge reduction pursuant to
9 paragraph (1); and

10 “(B) shall be approved by the Secretary.

11 “(d) DEFINITION.—In this section, the term ‘devel-
12 oping country’ means a country with a per-capita income
13 of not more than \$4,825, measured in 1999 United States
14 dollars, as adjusted by the Secretary to reflect inflation
15 since 1999.’”.

16 **SEC. 912. RESEARCH PRIORITIES.**

17 Section 210(b) of the Education of the Deaf Act of
18 1986 (20 U.S.C. 4359b(b)) is amended by striking “Com-
19 mittee on Labor and Human Resources of the Senate”
20 and inserting “Committee on Health, Education, Labor,
21 and Pensions of the Senate”.

22 **SEC. 913. AUTHORIZATION OF APPROPRIATIONS.**

23 Section 212 of the Education of the Deaf Act of 1986
24 (20 U.S.C. 4360a) is amended—

10 SEC. 921. UNITED STATES INSTITUTE OF PEACE ACT.

(a) POWERS AND DUTIES.—Section 1705(b)(3) of the United States Institute of Peace Act (22 U.S.C. 4604(b)(3)) is amended by striking “the Arms Control and Disarmament Agency,”.

(b) BOARD OF DIRECTORS.—Section 1706 of the United States Institute of Peace Act (22 U.S.C. 4605) is amended—

(1) by striking “(b)(5)” each place the term ap-
pears and inserting “(b)(4)”; and

(2) in subsection (e), by adding at the end the following:

22 “(5) The term of a member of the Board shall
23 not commence until the member is confirmed by the
24 Senate and sworn in as a member of the Board.”.

1 (c) FUNDING.—Section 1710 of the United States In-
 2 stitute of Peace Act (22 U.S.C. 4609) is amended by add-
 3 ing at the end the following:

4 “(d) EXTENSION.—Any authorization of appropria-
 5 tions made for the purposes of carrying out this title shall
 6 be extended in the same manner as applicable programs
 7 are extended under section 422 of the General Education
 8 Provisions Act.”.

9 **PART C—THE HIGHER EDUCATION**

10 **AMENDMENTS OF 1998**

11 **SEC. 931. REPEALS.**

12 The following provisions of title VIII of the Higher
 13 Education Amendments of 1998 (Public Law 105–244)
 14 are repealed:

- 15 (1) Part A.
- 16 (2) Part C (20 U.S.C. 1070 note).
- 17 (3) Part F (20 U.S.C. 1862 note).
- 18 (4) Part J.
- 19 (5) Section 861.
- 20 (6) Section 863.

21 **SEC. 932. GRANTS TO STATES FOR WORKPLACE AND COM-**
 22 **MUNITY TRANSITION TRAINING FOR INCAR-**
 23 **CERATED YOUTH OFFENDERS.**

24 Section 821(b) of the Higher Education Amendment
 25 of 1988 is amended by striking “25” and inserting “35”.

PART D—INDIAN EDUCATION

Subpart 1—Tribal Colleges and Universities

SEC. 941. TRIBALLY CONTROLLED COLLEGE AND UNIVERSITY ASSISTANCE.

(a) CLARIFICATION OF THE DEFINITION OF NATIONAL INDIAN ORGANIZATION.—Section 2(a)(6) of the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801(a)(6)) is amended by striking “in the field of Indian education” and inserting “in the fields of tribally controlled colleges and universities and Indian higher education”.

(b) INDIAN STUDENT COUNT.—Section 2(a) of the Tribally Controlled College or University Assistance Act (25 U.S.C. 1801(a)) is amended—

(1) by redesignating paragraphs (7) and (8) as paragraphs (8) and (9), respectively; and

(2) by inserting after paragraph (6) the following:

“(7) ‘Indian student’ means a student who is—

“(A) a member of an Indian tribe; or

“(B) a biological child of a member of an Indian tribe, living or deceased;”.

(c) CONTINUING EDUCATION.—Section 2(b) of the Tribally Controlled College or University Assistance Act (25 U.S.C. 1801(b)) is amended by striking paragraph (5) and inserting the following:

1 “(5) DETERMINATION OF CREDITS.—Eligible
2 credits earned in a continuing education program—

3 “(A) shall be determined as 1 credit for
4 every 10 contact hours in the case of an institu-
5 tion on a quarter system, or 15 contact hours
6 in the case of an institution on a semester sys-
7 tem, of participation in an organized continuing
8 education experience under responsible sponsor-
9 ship, capable direction, and qualified instruc-
10 tion, as described in the criteria established by
11 the International Association for Continuing
12 Education and Training; and

13 “(B) shall be limited to 10 percent of the
14 Indian student count of a tribally controlled col-
15 lege or university.”.

16 (d) ACCREDITATION REQUIREMENT.—Section 103 of
17 the Tribally Controlled College or University Assistance
18 Act (25 U.S.C. 1804) is amended—

19 (1) in paragraph (2), by striking “and” at the
20 end;

21 (2) in paragraph (3), by striking the period at
22 the end and inserting “; and”; and

23 (3) by inserting after paragraph (3), the fol-
24 lowing:

1 “(4)(A) is accredited by a nationally recognized
2 accrediting agency or association determined by the
3 Secretary of Education to be a reliable authority
4 with regard to the quality of training offered; or

5 “(B) is, according to such an agency or associa-
6 tion, making reasonable progress toward accredita-
7 tion.”.

8 (e) TECHNICAL ASSISTANCE CONTRACT AWARDS.—
9 Section 105 of the Tribally Controlled College or Univer-
10 sity Assistance Act (25 U.S.C. 1805) is amended in the
11 second sentence by striking “In the awarding of contracts
12 for technical assistance, preference shall be given” and in-
13 serting “The Secretary shall direct that contracts for tech-
14 nical assistance be awarded”.

15 (f) TITLE I REAUTHORIZATION.—Section 110(a) of
16 the Tribally Controlled College or University Assistance
17 Act of 1978 (25 U.S.C. 1810(a)) is amended—

18 (1) in paragraphs (1), (2), (3), and (4), by
19 striking “1999” and inserting “2006”;

20 (2) in paragraphs (1), (2), and (3), by striking
21 “4 succeeding” and inserting “5 succeeding”;

22 (3) in paragraph (2), by striking
23 “\$40,000,000” and inserting “such sums as may be
24 necessary”;

1 (4) in paragraph (3), by striking
2 “\$10,000,000” and inserting “such sums as may be
3 necessary”; and

4 (5) in paragraph (4), by striking “succeeding
5 4” and inserting “5 succeeding”.

6 (g) TITLE III REAUTHORIZATION.—Section 306(a)
7 of the Tribally Controlled College or University Assistance
8 Act of 1978 (25 U.S.C. 1836(a)) is amended—

9 (1) by striking “1999” and inserting “2006”;
10 and

11 (2) by striking “4 succeeding” and inserting “5
12 succeeding”.

13 (h) TITLE IV REAUTHORIZATION.—Section 403 of
14 the Tribal Economic Development and Technology Re-
15 lated Education Assistance Act of 1990 (25 U.S.C. 1852)
16 is amended—

17 (1) by striking “\$2,000,000 for fiscal year
18 1999” and inserting “such sums as may be nec-
19 essary for fiscal year 2006”; and

20 (2) by striking “4 succeeding” and inserting “5
21 succeeding”.

22 **Subpart 2—Navajo Higher Education**

23 **SEC. 945. SHORT TITLE.**

24 This subpart may be cited as the “Navajo Nation
25 Higher Education Act of 2005”.

1 **SEC. 946. REAUTHORIZATION OF THE NAVAJO COMMUNITY**
 2 **COLLEGE ACT.**

3 Section 5(a)(1) of the Navajo Community College Act
 4 (25 U.S.C. 640c–1(a)(1)) is amended by striking
 5 “\$2,000,000” and all that follows through “years” and
 6 inserting “such sums as may be necessary for fiscal year
 7 2006 and each of the 5 succeeding fiscal years”.

8 **TITLE X—RECONCILIATION**

9 **SEC. 1001. PROVISIONAL GRANT ASSISTANCE PROGRAM.**

10 (a) AMENDMENT.—Subpart 1 of part A of title IV
 11 of the Higher Education Act of 1965 (20 U.S.C. 1070a)
 12 is amended by adding at the end the following:

13 **“SEC. 401A. PROVISIONAL GRANT ASSISTANCE PROGRAM.**

14 **“(a) GRANTS.—**

15 **“(1) IN GENERAL.—**From amounts appro-
 16 priated under subsection (c) for a fiscal year and
 17 subject to subsection (b), the Secretary shall award
 18 grants to students (which shall be known as
 19 ‘ProGAP awards’) in the same manner as the Sec-
 20 retary awards grants to students under section 401,
 21 except that the Secretary shall determine the
 22 amount of a grant under this section for an aca-
 23 demic year by—

24 **“(A) determining the total number of stu-**
 25 **dents eligible for a grant under section 401 for**
 26 **the academic year, and the amount that each of**

1 those students are eligible to receive under sec-
 2 tion 401 calculated on the basis of the max-
 3 imum grant level specified in the appropriate
 4 Appropriation Act for section 401 for the aca-
 5 demic year;

6 “(B) determining the amount each of those
 7 students would receive under section 401 if the
 8 grant award under section 401 were calculated
 9 on the basis of the sum of the total amount ap-
 10 propriated to carry out section 401 and the
 11 total amount appropriated to carry out this sec-
 12 tion for the academic year; and

13 “(C) awarding to each of those students
 14 the amount by which the amount determined
 15 under subparagraph (B) exceeds the amount
 16 determined under subparagraph (A).

17 “(2) STUDENTS WITH THE GREATEST NEED.—
 18 The Secretary shall ensure grants are awarded
 19 under this section to students with the greatest need
 20 as determined under paragraph (1).

21 “(b) COST OF ATTENDANCE LIMITATION.—A grant
 22 awarded under this section for an academic year shall be
 23 awarded in an amount that does not exceed—

24 “(1) the student’s cost of attendance for the
 25 academic year; less

1 “(2) an amount equal to the expected family
2 contribution for that student for the academic year.

3 “(c) AUTHORIZATION AND APPROPRIATION OF
4 FUNDS.—There are authorized to be appropriated, and
5 there are appropriated, out of any money in the Treasury
6 not otherwise appropriated, for the Department of Edu-
7 cation to carry out this section and section 401B—

8 “(1) \$1,165,000,000 for fiscal year 2006;

9 “(2) \$1,171,000,000 for fiscal year 2007;

10 “(3) \$1,171,000,000 for fiscal year 2008;

11 “(4) \$1,172,000,000 for fiscal year 2009; and

12 “(5) \$1,647,000,000 for fiscal year 2010.

13 “(d) SUNSET PROVISION.—This section shall be ef-
14 fective with respect to amounts appropriated for fiscal
15 year 2006 and each of the 4 succeeding fiscal years.”.

16 (b) SENSE OF THE SENATE.—It is the sense of the
17 Senate that the amounts appropriated to carry out sec-
18 tions 401A and 401B of the Higher Education Act of
19 1965 are the result of the savings generated by the
20 amendments made by this title.

21 **SEC. 1002. NATIONAL SMART GRANTS.**

22 Subpart 1 of part A of title IV of the Higher Edu-
23 cation Act of 1965 (20 U.S.C. 1070a) is further amended
24 by adding after section 401A (as added by section 1001):

1 **“SEC. 401B. NATIONAL SMART GRANTS.**

2 “(a) GRANTS AUTHORIZED.—From amounts appro-
3 priated under section 401A(c) for a fiscal year, the Sec-
4 retary shall award grants to eligible students to assist the
5 eligible students in paying their college education ex-
6 penses.

7 “(b) DESIGNATION.—A grant under this section shall
8 be known as a ‘National Science and Mathematics Access
9 to Retain Talent Grant’ or a ‘National SMART Grant’.

10 “(c) DEFINITION OF ELIGIBLE STUDENT.—In this
11 section the term ‘eligible student’ means a student who,
12 for the academic year for which the determination is
13 made—

14 “(1) is eligible for a Federal Pell Grant; and

15 “(2) is in the student’s 3rd or 4th year at an
16 institution of higher education majoring in—

17 “(A) mathematics, science, technology, or
18 engineering (as determined by the Secretary
19 pursuant to regulations); or

20 “(B) a foreign language that the Sec-
21 retary, in consultation with the Director of Na-
22 tional Intelligence, determines is critical to the
23 national security of the United States.

24 “(d) GRANT AMOUNT.—The Secretary shall award a
25 grant under this section in an amount that does not exceed
26 \$1,500 for an academic year.

1 “(e) FUNDING RULE.—The Secretary shall use not
2 more than \$200,000,000 of the funds appropriated under
3 section 401A(c) for each of the fiscal years 2006 through
4 2010 to carry out this section.

5 “(f) UNOBLIGATED FUNDS AVAILABLE FOR FED-
6 ERAL GRANT ASSISTANCE.—The Secretary shall make
7 any funds made available under subsection (e) for a fiscal
8 year that remain unobligated at the end of the fiscal year
9 available to carry out section 401A.

10 “(g) MATCHING ASSISTANCE.—An institution of
11 higher education may, from funds provided from private
12 sources, provide additional assistance to a student receiv-
13 ing a grant under this section, except that the total assist-
14 ance provided under this title to a student shall not exceed
15 the student’s cost of attendance.”.

16 **SEC. 1003. LOAN LIMITS.**

17 (a) FEDERAL INSURANCE LIMITS.—Section
18 425(a)(1)(A) of the Higher Education Act of 1965 (20
19 U.S.C. 1075(a)(1)(A)) is amended—

20 (1) in clause (i)(I), by striking “\$2,625” and
21 inserting “\$3,500”; and

22 (2) in clause (ii)(I), by striking “\$3,500” and
23 inserting “\$4,500”.

1 (b) GUARANTEE LIMITS.—Section 428(b)(1)(A) of
2 the Higher Education Act of 1965 (20 U.S.C.
3 1078(b)(1)(A)) is amended—

4 (1) in clause (i)(I), by striking “\$2,625” and
5 inserting “\$3,500”; and

6 (2) in clause (ii)(I), by striking “\$3,500” and
7 inserting “\$4,500”.

8 (c) FEDERAL PLUS LOANS.—Section 428B of the
9 Higher Education Act of 1965 (20 U.S.C. 1078–2) is
10 amended—

11 (1) in subsection (a)(1)—

12 (A) in the matter preceding subparagraph
13 (A), by striking “Parents” and inserting “A
14 graduate or professional student or the par-
15 ents”;

16 (B) in subparagraph (A), by striking “the
17 parents” and inserting “the graduate or profes-
18 sional student or the parents”; and

19 (C) in subparagraph (B), by striking “the
20 parents” and inserting “the graduate or profes-
21 sional student or the parents”;

22 (2) in subsection (b), by striking “any parent”
23 and inserting “any graduate or professional student
24 or any parent”;

1 (3) in subsection (c)(2), by striking “parent”
 2 and inserting “graduate or professional student or
 3 parent”; and

4 (4) in subsection (d)(1), by striking “the par-
 5 ent” and inserting “the graduate or professional stu-
 6 dent or the parent”.

7 (d) UNSUBSIDIZED STAFFORD LOANS FOR GRAD-
 8 UATE OR PROFESSIONAL STUDENTS.—Section
 9 428H(d)(2) of the Higher Education Act of 1965 (20
 10 U.S.C. 1078–8(d)(2)) is amended—

11 (1) in subparagraph (C), by striking “\$10,000”
 12 and inserting “\$12,000”; and

13 (2) in subparagraph (D)—

14 (A) in clause (i), by striking “\$5,000” and
 15 inserting “\$7,000”; and

16 (B) in clause (ii), by striking “\$5,000”
 17 and inserting “\$7,000”.

18 **SEC. 1004. PLUS LOAN INTEREST RATES AND ZERO SPE-**
 19 **CIAL ALLOWANCE PAYMENT.**

20 (a) PLUS LOANS.—Section 427A(l)(2) of the Higher
 21 Education Act of 1965 (20 U.S.C. 1077a(l)(2)) is amend-
 22 ed by striking “7.9 percent” and inserting “8.5 percent”.

23 (b) CONFORMING AMENDMENTS FOR SPECIAL AL-
 24 LOWANCES.—

1 (1) AMENDMENTS.—Subparagraph (I) of sec-
2 tion 438(b)(2) of the Higher Education Act of 1965
3 (20 U.S.C. 1087–1(b)(2)) is amended—

4 (A) in clause (iii), by striking “, subject to
5 clause (v) of this subparagraph”;

6 (B) in clause (iv), by striking “, subject to
7 clause (vi) of this subparagraph”; and

8 (C) by striking clauses (v), (vi), and (vii)
9 and inserting the following:

10 “(v) RECAPTURE OF EXCESS INTER-
11 EST.—

12 “(I) EXCESS CREDITED.—With
13 respect to a loan on which the applica-
14 ble interest rate is determined under
15 section 427A(l) and for which the
16 first disbursement of principal is
17 made on or after April 1, 2006, if the
18 applicable interest rate for any 3-
19 month period exceeds the special al-
20 lowance support level applicable to
21 such loan under this subparagraph for
22 such period, then an adjustment shall
23 be made by calculating the excess in-
24 terest in the amount computed under
25 subclause (II) of this clause, and by

crediting the excess interest to the Government not less often than annually.

“(II) CALCULATION OF EXCESS.—The amount of any adjustment of interest on a loan to be made under this subsection for any quarter shall be equal to—

“(aa) the applicable interest rate minus the special allowance support level determined under this subparagraph; multiplied by

“(bb) the average daily principal balance of the loan (not including unearned interest added to principal) during such calendar quarter; divided by

“(cc) four.

“(III) SPECIAL ALLOWANCE SUPPORT LEVEL.—For purposes of this clause, the term ‘special allowance support level’ means, for any loan, a number expressed as a percentage equal to the sum of the rates determined under subclauses (I) and (III)

1 of clause (i), and applying any substi-
2 tution rules applicable to such loan
3 under clauses (ii), (iii), and (iv) in de-
4 termining such sum.”.

5 (2) EFFECTIVE DATE.—The amendments made
6 by this subsection shall not apply with respect to
7 any special allowance payment made under section
8 438 of the Higher Education Act of 1965 (20 U.S.C
9 1087–1) before April 1, 2006.

10 **SEC. 1005. REDUCTION OF LENDER INSURANCE REIM-**
11 **BURSEMENT RATES.**

12 (a) AMENDMENT.—Subparagraph (G) of section
13 428(b)(1) of the Higher Education Act of 1965 (20
14 U.S.C. 1078(b)(1)) is amended to read as follows:

15 “(G) insures 97 percent of the unpaid
16 principal of loans insured under the program;”.

17 (b) EFFECTIVE DATE.—The amendment made by
18 subsection (a) shall apply with respect to any loan made,
19 insured, or guaranteed under part B of title IV of the
20 Higher Education Act of 1965 (20 U.S.C. 1071 et seq.)
21 for which the first disbursement is made on or after Janu-
22 ary 1, 2006.

1 **SEC. 1006. GUARANTY AGENCY ORIGINATION FEE.**

2 (a) AMENDMENT.—Section 428(b)(1)(H) of the
3 Higher Education Act of 1965 (20 U.S.C. 1078(b)(1)(H))
4 is amended to read as follows:

5 “(H) provides for the collection, and the
6 deposit in the Federal Fund established under
7 section 422A(a), of a guaranty agency origina-
8 tion fee of 1.0 percent of each disbursement of
9 the proceeds of the loan, which fee may be pro-
10 vided from funds in the guaranty agency’s oper-
11 ating fund under section 422B or from other
12 non-Federal funds;”.

13 (b) EFFECTIVE DATE.—The amendment made by
14 subsection (a) shall be effective with respect to any loan
15 guaranteed under part B of title IV of the Higher Edu-
16 cation Act of 1965 on or after April 1, 2006.

17 **SEC. 1007. DEFERMENT OF STUDENT LOANS FOR MILITARY**
18 **SERVICE.**

19 (a) FEDERAL FAMILY EDUCATION LOANS.—Section
20 428(b)(1)(M) of the Higher Education Act of 1965 (20
21 U.S.C. 1078(b)(1)(M)) is amended—

22 (1) by striking “or” at the end of clause (ii);

23 (2) by redesignating clause (iii) as clause (iv);

24 and

25 (3) by inserting after clause (ii) the following
26 new clause:

1 “(iii) not in excess of 3 years during
2 which the borrower—

3 “(I) is serving on active duty
4 during a war or other military oper-
5 ation or national emergency; or

6 “(II) is performing qualifying
7 National Guard duty during a war or
8 other military operation or national
9 emergency; or”.

10 (b) DIRECT LOANS.—Section 455(f)(2) of the Higher
11 Education Act of 1965 (20 U.S.C. 1087e(f)(2)) is amend-
12 ed—

13 (1) by redesignating subparagraph (C) as sub-
14 paragraph (D); and

15 (2) by inserting after subparagraph (B) the fol-
16 lowing new subparagraph:

17 “(C) not in excess of 3 years during which
18 the borrower—

19 “(i) is serving on active duty during a
20 war or other military operation or national
21 emergency; or

22 “(ii) is performing qualifying National
23 Guard duty during a war or other military
24 operation or national emergency; or”.

1 (c) PERKINS LOANS.—Section 464(c)(2)(A) of the
 2 Higher Education Act of 1965 (20 U.S.C.
 3 1087dd(c)(2)(A)) is amended—

4 (1) by redesignating clauses (iii) and (iv) as
 5 clauses (iv) and (v), respectively; and

6 (2) by inserting after clause (ii) the following
 7 new clause:

8 “(iii) not in excess of 3 years during
 9 which the borrower—

10 “(I) is serving on active duty
 11 during a war or other military oper-
 12 ation or national emergency; or

13 “(II) is performing qualifying
 14 National Guard duty during a war or
 15 other military operation or national
 16 emergency;”.

17 (d) DEFINITIONS.—Section 481 of the Higher Edu-
 18 cation Act of 1965 (20 U.S.C. 1088) is amended by add-
 19 ing at the end the following new subsection:

20 “(d) DEFINITIONS FOR MILITARY DEFERMENTS.—
 21 For purposes of parts B, D, and E of this title:

22 “(1) ACTIVE DUTY.—The term ‘active duty’ has
 23 the meaning given such term in section 101(d)(1) of
 24 title 10, United States Code, except that such term

1 does not include active duty for training or attend-
2 ance at a service school.

3 “(2) MILITARY OPERATION.—The term ‘mili-
4 tary operation’ means a contingency operation as
5 such term is defined in section 101(a)(13) of title
6 10, United States Code.

7 “(3) NATIONAL EMERGENCY.—The term ‘na-
8 tional emergency’ means the national emergency by
9 reason of certain terrorist attacks declared by the
10 President on September 14, 2001, or subsequent na-
11 tional emergencies declared by the President by rea-
12 son of terrorist attacks.

13 “(4) SERVING ON ACTIVE DUTY.—The term
14 ‘serving on active duty during a war or other mili-
15 tary operation or national emergency’ means service
16 by an individual who is—

17 “(A) a Reserve of an Armed Force ordered
18 to active duty under section 12301(a),
19 12301(g), 12302, 12304, or 12306 of title 10,
20 United States Code, or any retired member of
21 an Armed Force ordered to active duty under
22 section 688 of such title, for service in connec-
23 tion with a war or other military operation or
24 national emergency, regardless of the location

1 at which such active duty service is performed;
2 and

3 “(B) any other member of an Armed Force
4 on active duty in connection with such emer-
5 gency or subsequent actions or conditions who
6 has been assigned to a duty station at a loca-
7 tion other than the location at which such mem-
8 ber is normally assigned.

9 “(5) QUALIFYING NATIONAL GUARD DUTY.—
10 The term ‘qualifying National Guard duty during a
11 war or other military operation or national emer-
12 gency’ means service as a member of the National
13 Guard on full-time National Guard duty (as defined
14 in section 101(d)(5) of title 10, United States Code)
15 under a call to active service authorized by the
16 President or the Secretary of Defense for a period
17 of more than 30 consecutive days under section
18 502(f) of title 32, United States Code, in connection
19 with a war, other military operation, or a national
20 emergency declared by the President and supported
21 by Federal funds.”.

22 (e) RULE OF CONSTRUCTION.—Nothing in the
23 amendments made by this section shall be construed to
24 authorize any refunding of any repayment of a loan.

1 (f) EFFECTIVE DATE.—The amendments made by
 2 this section shall apply with respect to loans for which the
 3 first disbursement is made on or after July 1, 2001.

4 **SEC. 1008. REHABILITATION THROUGH CONSOLIDATION.**

5 Section 428(c) of the Higher Education Act of 1965
 6 (20 U.S.C 1078(c)) is amended—

7 (1) in paragraph (2)(A)—

8 (A) by inserting “(i)” after “including”;
 9 and

10 (B) by inserting before the semicolon at
 11 the end the following: “and (ii) requirements es-
 12 tablishing procedures to preclude consolidation
 13 lending from being an excessive proportion of
 14 guaranty agency recoveries on defaulted loans
 15 under this part”;

16 (2) in paragraph (2)(D), by striking “para-
 17 graph (6)” and inserting “paragraph (6)(A)”; and

18 (3) in paragraph (6)—

19 (A) by inserting “(A)” before “For the
 20 purposes of paragraph (2)(D),”;

21 (B) by redesignating subparagraphs (A)
 22 and (B) as clauses (i) and (ii), respectively; and

23 (C) by adding at the end the following new
 24 subparagraphs:

1 “(B) GUARANTY AGENCY OBLIGATIONS.—A
2 guaranty agency shall—

3 “(i) on or after October 1, 2006—

4 “(I) not charge the borrower collec-
5 tion costs in an amount in excess of 18.5
6 percent of the outstanding principal and
7 interest of a defaulted loan that is paid off
8 through consolidation by the borrower
9 under this title; and

10 “(II) remit to the Secretary a portion
11 of the collection charge under subclause (I)
12 equal to 8.5 percent of the outstanding
13 principal and interest of such defaulted
14 loan; and

15 “(ii) on and after October 1, 2009, remit
16 to the Secretary the entire amount charged
17 under clause (i)(I) with respect to each de-
18 faulted loan that is paid off with excess consoli-
19 dation proceeds.

20 “(C) EXCESS CONSOLIDATION PRO-
21 CEEDS.—For purposes of subparagraph (B),
22 the term ‘excess consolidation proceeds’ means,
23 with respect to any guaranty agency for any
24 Federal fiscal year beginning on or after Octo-
25 ber 1, 2009, the proceeds of consolidation of de-

1 faulted loans under this title that exceed 45
 2 percent of the agency’s total collections on de-
 3 faulted loans in such Federal fiscal year.”.

4 **SEC. 1009. SINGLE HOLDER RULE.**

5 Subparagraph (A) of section 428C(b)(1) of the High-
 6 er Education Act of 1965 (20 U.S.C. 1078–3(b)(1)) is
 7 amended by striking “and (i)” and all that follows through
 8 “so selected for consolidation”).

9 **SEC. 1010. DEFAULT REDUCTION PROGRAM.**

10 Section 428F(a)(1) of the Higher Education Act of
 11 1965 (20 U.S.C. 1078-6(a)(1)) is amended—

12 (1) in subparagraph (A), by striking “consecu-
 13 tive payments for 12 months” and inserting “9 pay-
 14 ments made within 20 days of the due date during
 15 10 consecutive months”;

16 (2) by redesignating subparagraph (C) as sub-
 17 paragraph (D); and

18 (3) by inserting after subparagraph (B) the fol-
 19 lowing new subparagraph:

20 “(C) A guaranty agency may charge the
 21 borrower and retain collection costs in an
 22 amount not to exceed 18.5 percent of the out-
 23 standing principal and interest at the time of
 24 sale of a loan rehabilitated under subparagraph
 25 (A).”.

1 **SEC. 1011. REQUIREMENTS FOR DISBURSEMENTS OF STU-**
2 **DENT LOANS.**

3 Section 428G of the Higher Education Act of 1965
4 (20 U.S.C. 1078–7) is amended—

5 (1) in subsection (a)(3), by adding at the end
6 the following: “Notwithstanding section 422(d) of
7 the Higher Education Amendments of 1998, this
8 paragraph shall be effective beginning on the date of
9 enactment of the Higher Education Amendments of
10 2005.”; and

11 (2) in subsection (b)(1), by adding at the end
12 the following: “Notwithstanding section 422(d) of
13 the Higher Education Amendments of 1998, the sec-
14 ond sentence of this paragraph shall be effective be-
15 ginning on the date of enactment of the Higher
16 Education Amendments of 2005.”.

17 **SEC. 1012. SPECIAL INSURANCE AND REINSURANCE RULES.**

18 (a) **REPEAL.**—Section 428I of the Higher Education
19 Act of 1965 (20 U.S.C. 1078–9) is repealed.

20 (b) **CONFORMING AMENDMENTS.**—Part A of title IV
21 of the Higher Education Act of 1965 (20 U.S.C.1070 et
22 seq.) is amended—

23 (1) in section 428(c)(1)—

24 (A) by striking subparagraph (D); and

1 (B) by redesignating subparagraphs (E)
 2 and (F) as subparagraphs (D) and (E), respec-
 3 tively; and
 4 (2) in section 438(b)(5), by striking the matter
 5 following subparagraph (B).

6 **SEC. 1013. SCHOOL AS LENDER MORATORIUM.**

7 Section 435(d)(2) of the Higher Education Act of
 8 1965 (20 U.S.C. 1085(d)(2)) is amended—

9 (1) in subparagraph (E), by striking “and”
 10 after the semicolon; and

11 (2) by inserting before the matter following
 12 subparagraph (F) the following:

13 “(G) shall have met the requirements of
 14 subparagraphs (A) through (F), and made
 15 loans under this part, on or before August 31,
 16 2005;

17 “(H) shall hold each loan the eligible insti-
 18 tution makes under this part to a student en-
 19 rolled at the eligible institution until the stu-
 20 dent enters into a grace period described in sec-
 21 tion 427(a)(2)(B) or 428(b)(7);

22 “(I) shall use the proceeds from the sale of
 23 a loan made under this part, for need based
 24 grant aid programs, except that such pro-
 25 ceeds—

1 “(i) shall not be used to provide a
 2 grant to a student for an academic year in
 3 an amount that is more than the student’s
 4 cost of attendance for the academic year;
 5 and

6 “(ii) shall supplement and not sup-
 7 plant other Federal, State, and institu-
 8 tional grant aid; and

9 “(J) shall not be a foundation or alumni
 10 organization;”.

11 **SEC. 1014. PERMANENT REDUCTION OF SPECIAL ALLOW-**
 12 **ANCE PAYMENTS FOR LOANS FROM THE PRO-**
 13 **CEEDS OF TAX EXEMPT ISSUES.**

14 (a) TECHNICAL CLARIFICATION.—The matter pre-
 15 ceding paragraph (1) of section 2 of the Taxpayer-Teacher
 16 Protection Act of 2004 (Public Law 108–409; 118 Stat.
 17 2299) is amended by inserting “of the Higher Education
 18 Act of 1965” after “Section 438(b)(2)(B)”. The amend-
 19 ment made by the preceding sentence shall be effective as
 20 if enacted on October 30, 2004.

21 (b) AMENDMENT.—Section 438(b)(2)(B) of the
 22 Higher Education Act of 1965 (20 U.S.C. 1087–
 23 1(b)(2)(B)) is amended—

24 (1) in clause (iv), by striking “and before Janu-
 25 ary 1, 2006,”; and

1 (2) in clause (v)(II)—

2 (A) in item (aa), by striking “and before
3 January 1, 2006,”;

4 (B) in item (bb), by striking “and before
5 January 1, 2006,”; and

6 (C) in item (cc), by striking “and before
7 January 1, 2006,”.

8 **SEC. 1015. LOAN FEES FROM LENDERS.**

9 (a) AMENDMENT.—Paragraph (2) of section
10 438(d)(2) (20 U.S.C. 1087–1(d)) is amended to read as
11 follows:

12 “(2) AMOUNT OF LOAN FEES.—

13 “(A) IN GENERAL.—Except as provided in
14 subparagraph (B), with respect to any loan
15 made under this part for which the first dis-
16bursement was made on or after October 1,
17 1993, the amount of the loan fee that shall be
18 deducted under paragraph (1) shall be equal to
19 0.50 percent of the principal amount of the
20 loan.

21 “(B) CONSOLIDATION LOANS.—With re-
22 spect to any loan made under section 428C on
23 or after April 1, 2006, the amount of the loan
24 fee that shall be deducted under paragraph (1)

1 shall be equal to 1.0 percent of the principal
2 amount of the loan.”.

3 (b) **EFFECTIVE DATE.**—The amendment made by
4 subsection (a) shall apply with respect to any loan made,
5 insured, or guaranteed under part B of title IV of the
6 Higher Education Act of 1965 (20 U.S.C. 1071 et seq.)
7 for which the first disbursement is made on or after April
8 1, 2006.

9 **SEC. 1016. ORIGINATION FEE.**

10 Section 455(c) of the Higher Education Act of 1965
11 (20 U.S.C. 1087e(c)) is amended—

12 (1) by striking “shall” and inserting “is author-
13 ized to”; and

14 (2) by striking “4.0 percent of the principal
15 amount of loan” and inserting “not less than 1 per-
16 cent and not more than 3 percent of the principal
17 amount of the loan, except that the Secretary shall
18 charge the borrower of a Federal Direct PLUS Loan
19 an origination fee of 4.0 percent of the principal
20 amount of the loan.”.

21 **SEC. 1017. INCOME CONTINGENT REPAYMENT FOR PUBLIC**
22 **SECTOR EMPLOYEES.**

23 Section 455(e) of the Higher Education Act of 1965
24 (20 U.S.C. 1087e(e)) is amended by adding at the end
25 the following:

1 “(7) REPAYMENT PLAN FOR PUBLIC SECTOR
2 EMPLOYEES.—

3 “(A) IN GENERAL.—The Secretary shall
4 forgive the balance due on any loan made under
5 this part for a borrower—

6 “(i) who has made 120 payments on
7 such loan pursuant to income contingent
8 repayment; and

9 “(ii) who is employed, and was em-
10 ployed for the 10-year period in which the
11 borrower made the 120 payments de-
12 scribed in clause (i), in a public sector job.

13 “(B) PUBLIC SECTOR JOB.—In this para-
14 graph, the term ‘public sector job’ means a full-
15 time job in emergency management, govern-
16 ment, public safety, law enforcement, public
17 health, education (including early childhood
18 education), or public interest legal services (in-
19 cluding prosecution or public defense).

20 “(8) RETURN TO STANDARD REPAYMENT.—A
21 borrower who is repaying a loan made under this
22 part pursuant to income contingent repayment may
23 choose, at any time, to terminate repayment pursu-
24 ant to income contingent repayment and repay such
25 loan under the standard repayment plan.”.

1 **SEC. 1018. INCOME PROTECTION ALLOWANCE FOR DE-**
2 **PENDENT STUDENTS.**

3 (a) AMENDMENT.—Section 475(g)(2)(D) (20 U.S.C.
4 1087oo(g)(2)(D)) is amended by striking “\$2,200” and
5 inserting “\$3,000”.

6 (b) EFFECTIVE DATE.—The amendment made by
7 paragraph (1) shall apply with respect to determinations
8 of need for periods of enrollment beginning on or after
9 July 1, 2006.

10 **SEC. 1019. SIMPLIFIED NEED TEST AND AUTOMATIC ZERO**
11 **IMPROVEMENTS.**

12 Section 479(c) of the Higher Education Act of 1965
13 (20 U.S.C. 10877ss(c)) is amended—

14 (1) in paragraph (1), by striking subparagraph
15 (B) and inserting the following:

16 “(B) the sum of the adjusted gross income
17 of the parents is less than or equal to \$20,000;
18 or”;

19 (2) in paragraph (2), by striking subparagraph
20 (B) and inserting the following:

21 “(B) the sum of the adjusted gross income
22 of the student and spouse (if appropriate) is
23 less than or equal to \$20,000.”.

1 **SEC. 1020. LOAN FORGIVENESS FOR TEACHERS.**

2 Section 3(b)(3) of the Taxpayer-Teacher Protection
3 Act of 2004 (20 U.S.C. 1078–10 note) is amended by
4 striking “, and before October 1, 2005”.

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